

Israel denies co-ordinating airport raid with Kenya

TEL AVIV, July 4.

BY TOM ACKERMAN

ISRAELI FORCES staged the most daring commando rescue operation in their history early today, when they stormed and flew out all but one of the 110 remaining hostages and crew of the Air France Airbus held by hijackers in Uganda.

In a night action using three transport aircraft—two refurbished Boeing 707s and a Hercules C-130 military transport—Israelis rescued almost 2,500 miles non-stop, the Israeli force killed at least seven of the terrorists as well as “less than 20” Ugandan soldiers who resisted the landing party.

There could not have been a more complete co-operation between the government of President Amin and the terrorists, Mr. Shimon Peres, the Israeli Defence Minister, asserted at a news conference here this evening.

Mr. Peres reported four casualties among Israeli nationals, three of them civilian hostages caught in the cross-fire at the old Entebbe air terminal building and one a ranking officer who commanded the storming party. Eleven others were wounded, including five of the hostages. An Israeli woman remains in hospital in Kampala.

Also present during the operation were some of the highest ranking field officers in various branches of the Israeli defence forces.

Mr. Peres emphasised that Israel bore full responsibility for the planning and execution of the commando strike. He denied any prior co-ordination with the Kenya Government in Nairobi, where all three aircraft flew direct from Entebbe for refuelling and emergency medical treatment.

Israel, said the Defence Minister, did not deliberately mislead the hijackers into believing that Israel had conceded by stating its willingness to enter into direct negotiations. “When our independent military option showed itself feasible, we preferred it to the other option,” he said.

The mastermind behind the hijacking, he said, was Dr. Wadi Haddad, the 46-year-old Palestinian who is in charge of operations for the Popular Front for the Liberation of Palestine. One of the freed passengers said a “Berber” German woman commanded the hijackers and was backed up by three men, only two of them Arabic-speaking.

But the original four who got on the aircraft in Athens a week ago, he said, were almost doubled in strength by other collaborators “who were brought in by

Uganda.” Brigadier Dan Shomron, the raiding party’s field commander, said the Ugandan forces “certainly were an active party both in guarding the hostages and in fighting” his men.

Israeli officials acknowledged damaging or destroying six to 10 Ugandan Air Force MIG fighter planes parked at the end of the runway.

The target area on the shores of Lake Victoria was not entirely unfamiliar to the strike force. The Israeli construction company Solel Boneh built Entebbe’s enlarged airport and Israeli Air Force instructors trained President Amin’s pilots before diplomatic ties were severed in 1972.

Passengers said the entry and exits of the strike force took no more than 20 minutes. The Israeli soldiers, said Brig. Shomron, shouted to the hostages to drop to the ground as they opened up with automatic fire.

John Worrall reports from Nairobi: Kenya’s involvement in the raid on Entebbe Airport has brought relations between President Amin and his neighbour President Kenyatta to a new low. There were fears today that President Amin’s MIGs might attack in revenge for the Kenyan involvement.

It seems likely that the refuelling of the Israeli aircraft at Nairobi was planned in advance.

A field hospital was set up at Entebbe Airport, at which the wounded hostages and commandos were treated. At least two hostages were rushed by ambulance to Nairobi Hospital, where one is reported to have died subsequently.

Kenya broke diplomatic relations with Israel after the Yom Kippur war, but an Israeli diplomat has been stationed here ever since and there are several hundred Israelis working in Kenya.

Our Foreign Staff writes: Kampala is well in the range from Israel of a standard Boeing 707 or a Hercules C-130 which has a range of over 5,000 miles. The Israeli authorities revealed that the outward flight was 2,375 miles. This compares with a direct flight from Entebbe to Kampala of about 1,950 miles.

The mission would have flown down the Red Sea where, the planners could confidently assume, there would have been no interference from Egypt or Saudi Arabia. Both countries would have been apprehensive about possible repercussions of an interception.

Editorial comment Page 10

Callaghan statement by next month on £1bn. spending cuts

BY MICHAEL BLANDEN AND PETER HENNESSY

MR. JAMES CALLAGHAN is preparing to make a statement on further cuts of about £1bn. in Government spending for 1977-1978 before Parliament rises for the summer recess. Mr. Denis Healey, Chancellor, paved the way for the Prime Minister’s announcement in a speech on Saturday at Newcastle.

He told a meeting of the northern regional council of the TUC that economic recovery would reduce the public sector borrowing requirement. But if the pace of recovery did not look like achieving this in sufficient measure, the Government would have to choose between raising taxes and cutting expenditure.

“I do not think our new pay policy could survive massive increases in taxation next April. So we may be forced into some reduction in our plans for spending next year if we are to keep recovery moving steadily forward,” Mr. Healey said.

His remarks were the firmest indication to date of the Government’s determination to prevent excessive spending from vitiating the prospects of recovery. In speech after speech, in recent weeks, the Prime Minister, Mr. Callaghan, has re-emphasised the point to prepare the country and the Labour movement for a further round of spending cuts.

On Saturday Mr. Healey said: “If we can keep our heads and

our nerve, the long-awaited economic miracle is in our grasp. Britain can achieve in the 70s what Germany and France achieved in the 60s and 70s—revolutionary improvement in the performance of manufacturing industry based on export and investment.”

Final details of cuts have to be worked out. But Whitehall has been accelerating elements of the normal review cycle—reducing the public sector borrowing requirement. But if the pace of recovery did not look like achieving this in sufficient measure, the Government would have to choose between raising taxes and cutting expenditure.

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ings before he rises to make his statement. The decision to go ahead with cuts outlined in the White Paper on public expenditure, published last February, was approved by the narrowest of margins in Cabinet. But Mr. Callaghan can expect a slightly easier ride in the coming weeks.

The feeling in Whitehall is that the politics of public expenditure have changed since last winter. The gravamen of the minority faction in the Cabinet then was that the recession was sufficiently deep to achieve the desired deflationary effect and that present spending levels had to be maintained to keep up demand. Now the pound is substantially lower and increasing export demand is in prospect.

On an individual level Mr. Andrew Stoddart’s move from the Department of the Environment to the Foreign Office means that the most skilful opponent of the last package is no longer in a big spending ministry. Mrs. Barbara Castle’s replacement at the Department of Health and Social Security by Mr. David Ennals has had a similar effect.

Mr. Callaghan’s Cabinet has been further strengthened by the arrival of Sir Harold Wilson by the addition of Mr. Edmund Dell, Secretary for Trade, who is seen in Whitehall as very much on the side of the non-spending angels.

Conflicting

The Prime Minister probably will emphasise that the decision to make further cuts was not made under pressure from the International Monetary Fund and Britain’s foreign creditors, but taken because additional domestic restraints in the country’s intrinsic interest.

The Prime Minister will stress the need for extra cuts to prevent further falls in sterling, jeopardising jobs and eroding the standard of living and to make certain the prospect of a full and permanent economic recovery.

Mr. Callaghan faces a succession of difficult Cabinet meetings.

Industrial strategy talks

BY ADRIAN HAMILTON

BOTH the Government and the Confederation of British Industry, with a less committed attitude on the part of the unions, are expected to seek a determined development of an “industrial strategy” at Wednesday’s all-day meeting of the National Economic Development Council.

The meeting, to be chaired by the Prime Minister, is to review formally the first reports of the 38 sector working parties covering a major part of British industry, while a second meeting is scheduled for early August to consider the next stage.

But it is already clear that the Government with the CBI support is intending to use the meeting as a platform for its policy of promoting industrial growth and private sector profitability, even at the expense of social services cuts.

The Treasury and Department of Industry are expected to indicate their satisfaction with the way the work has gone so far and the Government’s desire to

develop the reports further to accord with Budget thinking. Ministers may suggest too their desire to use the needs of industry to make substantial changes both in education—especially in the area of retraining of manpower and the promotion of more technical skills—and in housing to encourage labour mobility.

The CBI is anxious that the NEDC should go even further and that the Council should become the central forum for much broader tripartite discussion of the next phase in the counter-inflation policy.

In committing itself for the first time to the strategy wholeheartedly, including a promise for renewal of industrial investment, the CBI is also laying down areas where it feels that its interest should be recognised.

These include a strong call for better treatment of middle management and a recognition that profitability will have to be doubled in the private sector if it is to succeed.

A major problem will be the attitude of the unions. The joint paper prepared for the meeting by the Treasury and Department of Industry is believed to press the Government’s view both that priority has to be given to industry over the consumption in the coming years and the better use of existing capacity through higher productivity.

While individual unionists have accepted this and some of their leaders like Mr. Jack Jones support a diversion of resources to industry, the policy of the TUC remains a call for action to reduce unemployment now to increase capacity through investment and for Government intervention to this end.

Discussion at Wednesday’s meeting will primarily be devoted to examining the results of work done so far under five headings: these are manpower and investment; manpower; financial constraint; competitiveness; productivity and structure; and market penetration.

Interviewed by Lord Watkinson Page 4

Union directors urged

BY ALAN PIKE, LABOUR STAFF

GREATER industrial democracy and an investment reserve fund financed from company profits were demanded as essential elements in the regeneration of industry by Mr. Jack Jones, general secretary of the Transport and General Workers’ Union, at the weekend.

On worker participation he made it clear that despite the hostility of several other major unions, the TGWU is still completely behind the concept of trade union directors on the Boards of all large companies.

Describing this as the most radical and far-reaching of any of the Government’s projected reforms, Mr. Jones told the London and Home Counties regional rally of his union that there must be an Act giving unions the right to full representation on the Boards of all large private companies and the nationalised industries.

There must, he warned, be no excuses about lack of time

for legislation on an issue which would “enfranchise the worker in the workplace.”

He held out the reorganised British Leyland as an example of the benefits of worker participation, and said he hoped it would soon be possible to cap the existing joint union-management participation committees with 50 per cent. of union seats on the top Board.

Regeneration

Developing his idea for an investment reserve fund, Mr. Jones said that while the National Enterprise Board had a vital role to play in the regeneration of industry it would not be sufficient in itself.

Money for the proposed fund would come from a proportion of the pre-tax profits of major companies, and the fund would then initiate investment schemes which market forces would not

provide. “Let us not hear any more of the civil servants and the City bankers’ objections, but let us get on with setting the fund up now.”

Finance and industry, he said, must not be free to impose a “self-imposed degree of harshness on Government policies and working people.”

At the same time as efforts are being made to regenerate industry, continued Mr. Jones, there must be a policy for a “concentrated attack on privilege” and creation of a fairer society. He listed improvement in pensions, more community planning, better health and education facilities and introduction of a wealth tax as elements in this.

On the last issue, he said the Government must start planning now so that provision for a wealth tax can be introduced quickly at the beginning of the next session of Parliament.

Rapid recovery may lead to more inflation—CBI

BY ADRIAN HAMILTON

A WARNING that the rapid recovery in the world economy could lead to more serious inflation and an explosion in commodity prices, is made today by the Confederation of British Industry.

Releasing the results of its monthly trends inquiry for June, the CBI’s economic situation committee reports that the U.K. economy is picking up more rapidly than had been expected six months ago and that the revival in all the major countries was now synchronising to an unusual extent.

While the committee foresees surplus capacity remaining in most countries at least for the next year, it warns that “both the degree of synchronisation of the cycles and the speed with which demand is growing must cause some concern about international rates of inflation and about commodity prices which have been rising steadily since the last quarter of 1975.

“It seems fairly likely,” it goes on with some emphasis, “that commodity prices will at least

rise rather more quickly than those of other products and it year.”

It also indicates that the “trough” in manufacturing investment may be at hand, unusually early in this phase of the cycle, and that it could turn by the end of the year.

But it reports “hints of shortages soon to come of certain skills” and remains rather less optimistic than the Department of Industry.

The recent devaluation of the pound is causing the CBI to revise upwards its figures for inflation over the next 18 months and argues that, while the depreciation of the currency should aid export competitiveness, its impact in further dampening home demand means that it “will have little overall effect on output and employment.”

It leaves open the all-important question of whether the recovery will lead, as it has done in the past, to problems of capacity restraints, rising inflation and shortages as it moves towards its

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Taiwan Olympic row cools down

BY OUR OWN CORRESPONDENT

MONTREAL, July 4.

CANADA and the International Olympic Committee have stepped back from the brink in their quarrel over Taiwan’s presence at the 1976 Games. But the issue which threatened the official status of the Games, may not be solved until the next regular meeting of the IOC’s executive on July 10, just one week before the opening ceremony.

Lord Killanin, the IOC president, said there was never any threat to remove official recognition from the Games and his

statement has apparently pacified the U.S., which had threatened to boycott a non-official Olympic Games.

Now each side says the other must move first. Canada’s problem is its one-China foreign policy, which will not allow it to welcome a Taiwan team which calls itself the representative of the Republic of China, displaying its flag and playing its anthem.

Observers in Montreal think that whether it plans to or not, the Taiwan issue may be settled this time once and for

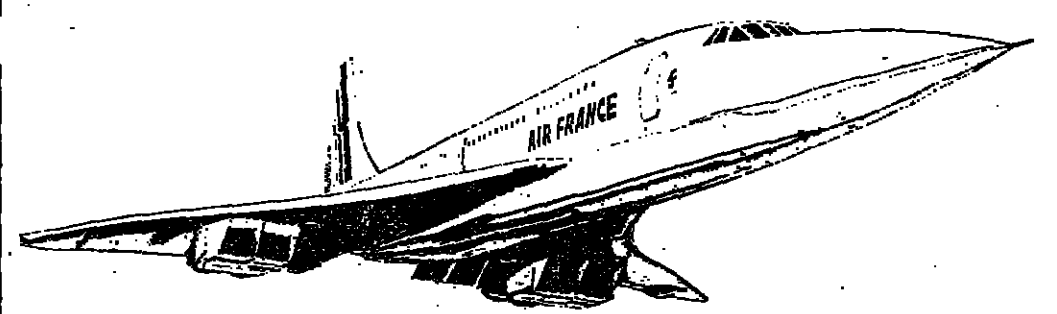
all. A majority of the IOC wants China to become a member of the Olympic movement, but they will never go along with China’s demand that Taiwan be expelled first.

Taiwan would probably have to be expelled before China would consent to join.

Meanwhile, 42 Taiwan athletes are entered for the Games, which begin on July 17 and 33 have already left for Canada with training stops along the way.

A city’s lost illusions. Page 23

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NEWS SUMMARY

U.K. more hopeful on export sales

men and a woman were day helping police in the £2m. Heathrow raid after being at a Twyford, Berks, house, while in Zurich police questioned 30-year-old Stephen Raymond the robber of thousands of is believed to have been following the arrests. Raymond had £170,000 on various currencies when he was arrested in the of last week, Scotland said.

Yard added that other y was recovered following tations in London and n. Another batch of y though it be at least 300—was seized by dect at the Twyford manor

ven die in collision

n people were reported dead six injured as the result of 34 motorway collision near a coach and a mini-bus Sweden in Walsby last ing. The accident was on the round lane carrying traffic to ion.

banon camp capture claim

nt-wine Lebanese Christian s claimed last night that y had captured most of the iced Fal al Zaafar, Palestin camp and driven the enders back into a corner of As heavy fighting flared in the streets of Beirut, ther convoy of foreigners left Damascus. Earlier story, e 5

ster border

int for bombers

arity forces in Ulster, taking see value the claim by the er Freedom Fighters that it ibed four hotels in the Irish ublic over the weekend. ked traffic entering Northern and along the 300-mile or. Dublin fears, Back Page

anish Premier

akes soundings

n’s new Prime Minister, Sr. lio Suarez, yesterday is first contacts aimed at uring a Government. Sr. rez, who has been a Cabinet uster for six months, is secre-neral of the National vement, Spain’s sole legal rical organisation. Back Page

ueen sails for Philadelphia

Queen and Prince Philip, left Bermuda last night in Royal Yacht Britannia, are to step ashore tomorrow in Philadelphia where independence declared nearly 200 years ago. The goes to town, Page 5

ne to ride in Britain

nces Anne, riding the een’s horse, Goodwill, is in tain’s three-day event team the Olympics. Captain Mark illips is a reserve. Page 4

riefly...

tain’s James Hunt, driving a laren yesterday won the ench Formula One motor ing grand prix at Le Castellet, anc.

4A Boeing 707 burst seven rs when it landed at Heathw from New York yesterday. ights were delayed until the way was cleared after six rs.

cerned that the Greek islands y be overbooked this summer. r. Robert McCrindle, Tory MP r Brentwood and Ongar, is to ise the matter in the Commons day.

three out of four adult Britons ible, according to a Gallup rvey. Page 4

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arners enjoy their 10 Justinian

Italy: Big two fight for 17 Birmingham 11-18

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THE WEEK IN THE COURTS

Key money: correction of 50 years' aberration

BY JUSTINIAN

FOR OVER half a century Parliament has consistently outlawed "key money," that is the payment of money by an incoming tenant as the price for obtaining a tenancy protected under successive Rent Acts. The normal way of acquiring an illegal premium is to put a price on the fixtures and fittings left by the outgoing tenant far in excess of their actual value.

It was not until a week ago when the House of Lords in *Farrell v. Alexander* construed section 85 of the Rent Act 1968 (which had a clause dating back to 1919) that a tenant occupying premises under a protected tenancy who requires or receives a premium from his successor as a condition of surrendering his lease to his landlord was held to have committed an offence. Hitherto the legislation had, according to the decisions of the courts dating back to 1921, left a loophole in this instance.

The facts of the case disclose the unusual feature that required such exalted judicial consideration. Mrs. Alexander had a protected tenancy of a flat owned by the Church Commissioners. The tenancy had some four years still to run. She negotiated with Mrs. Farrell and her daughter with a view to assigning the lease. The Farrells were asked for £4,000 for the fixtures and fittings. Though no one had put a precise value on the fixtures and fittings it was certainly less than the £4,000, so that the balance was a premium for the proposed assignment. In asking for it Mrs. Alexander may have been committing an offence. Had the transaction gone through as an assignment the law was that an illegal premium had been required and received.

Agreement

The Church Commissioners, however, in accordance with their normal practice as reflected in a clause in the existing lease, required Mrs. Alexander to surrender the lease subject to acceptance of the surrender and to the simultaneous grant by them of a new lease to the Farrells.

A formal agreement was drawn up under which Mrs. Alexander agreed to surrender the lease subject to acceptance of the surrender by the Church Commissioners and to the simultaneous grant by them of a new lease to the Farrells. On completion, the new tenants were to pay to Mrs. Alexander the sum of £4,000 for fixtures and fittings; the money was in fact going to the Farrells who had paid. Later the Farrells sought to recover the excess over the

true value of the fixtures and fittings, and by four Law Lords to one they were held entitled to recover the excess, illegal premium.

There had been some suggestion that the whole transaction had been an assignment from Mrs. Alexander to the Farrells, in which case the law would have presented no problem. That would have been an illegal premium situation. The judges were clear that the surrender of the lease and grant of a new one was not a sham or a subterfuge; it was what the Church Commissioners required for reasons, understandable enough, of their own. The Church Commissioners had no interest in the "premium," and so the bald question was whether it is illegal for a tenant to require or receive a premium as a condition of surrendering his or her lease and in order that a new lease may be granted to the payer of the premium.

Section 85 of the Rent Act 1968 provides that "any person" who requires payment of a premium or receives a premium "in addition to any rent," as a condition of obtaining a protected tenancy, commits an offence. The question argued at considerable length was whether the words "any person" were wide enough to include landlords, tenants, agents or middlemen. Mrs. Alexander's counsel had contended with much ingenuity that the later words "in addition to any rent" had the effect of limiting "any person" to a landlord or tenant receiving rent from the tenant or subtenant respectively. It was contended that the legislative history of this provision of the various rent restriction Acts and the decision of the courts bore out this argument. Hence the protracted arguments and long judgments tracing the history and analysis of the cases. That apart, Lord Wilberforce declared publicly: "The words 'in addition to any rent' are descriptive of the character of the payment and not of the recipient." The transaction clearly words of section 85 meant, therefore, that the tripartite agreement in this case was caught by the section.

Lord Denning in the Court of Appeal added a special reason for his dissent in departing from the fully established and sound doctrine of precedent, by saying that the result of the appeal to the House of Lords was "a foregone conclusion." This attitude was roundly condemned by the one dissenter in the Lords, Lord Russell of Killowen, who unreservedly disapproved of such a wayward judicial behaviour. That conflict will provide amusement and discussion in the Temple long after *Farrell v. Alexander* has been consigned to and buried in the legal text books on the Rent Acts.

Escape route

And there, so far as the layman is concerned, the matter rests. There are now no escape routes through the Rent Act, 1968, whereby a premium can be legally charged by an outgoing tenant on an incoming tenant. The money was in fact going to the Farrells who had paid. Later the Farrells sought to recover the excess over the

lamentarian the decision in *Farrell v. Alexander* will long be quoted as a classic on two topics—the proper judicial approach to consolidated statutes and to the doctrine of precedent.

On consolidated statutes there is an exegesis from Lord Simon of Glaisdale. Lord Wilberforce simply gave the coup de grace to any future advocate taking any court wearily through the thicket of successive Acts of Parliament. The Rent Act 1968 is a consolidation statute of a comprehensive kind, built up after a process of amendment, addition and repeal of a number of statutes starting in 1915. Lord Wilberforce said: "Unless the process of consolidation, which involves much labour and careful work, is to become nothing but a work of mechanical convenience, I think this tendency should be firmly resisted; that self-contained statutes, whether consolidating previous law, or doing so with amendments, should be interpreted, if reasonably possible, without recourse to antecedents." Recourse to antecedents would be permitted only where there was a real and substantial difficulty and ambiguity that classical methods of construction could not resolve.

Reason

The doctrine of precedent once again produced a clash of judicial personalities. Most of the Law Lords contented themselves with using their power to reverse decisions, even long-standing ones, of the Court of Appeal, while reaffirming the general rule that the Court of Appeal was bound by its own decisions. Hence they applauded the view of two members of the Court of Appeal who declared themselves bound to decide the case in favour of Mrs. Alexander, leaving it to the Lords to correct, if they thought right, 50 years of judicial aberration.

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CRICKET BY TREVOR BAILEY

Half this new crop of Blues will be asset to the game

APART from the wonderful weather, cricket had a most encouraging week, with plenty of evidence that there are young players around capable of making their mark in the first-class game.

Over the years, Oxford and Cambridge have been the breeding grounds for a large number of Test players for the cricket nations of the world, but during the last few years the standard at the two universities has dropped. It was, therefore, especially pleasing to note a halt in this sad trend in the recent University match at Lord's, which contained an exceptionally high number of well-above-average cricketers.

Promise

Gurr is a tall, lively, fast bowler who has lifted from an unresponsive pitch. Parker is a batsman of distinct promise, and at least half of the 22 would be a considerable asset in the first-class game.

Favours always had plenty of time in his innings of 90 and appears to have the makings of a class performer, but the process will be quicker if Kent include him in their team and also bat him high in the order. Their highest weakness, which was thoroughly exposed by Notts, is an anemic attack. They lack both genuine pace and class spin. Without either, they cannot really hope to make much impression in three-day cricket.

Optimistic
Wooler is very optimistic about a promising crop of young batsmen, including Francis, Havellyn, Alan Jones, Richards, and Hopkins.

The Welsh county have always had an indifferent record in limited-over cricket. They have beaten only one first-class county, Northants, in the Gillette Cup since its inception. However, they appear at last to have come to terms with its special requirements, as can be seen in their much-improved performances in the John Player League.

OLYMPICS

Princess Anne in British three-day event team

PRINCESS ANNE is in the British three-day event team for the Olympics. Capt. Mark Phillips is named only as reserve. The Princess will be riding the Queen's horse, Goodwill.

The rest of the team, officially named yesterday, is: Lucinda Prior-Palmer on Se Fair, Richard Meade on Jack and Hugh Thomas on Playamar.

paved the way to victory in a match which means as much, probably more, to the contestants than a Test.

Providing one was not a bowler, St. Helen's on Saturday was a delightful place to be. Runs flowed briskly and there was time for a swim in the intervals.

Notts, enjoying their best season for some time, revelled in the perfect batting conditions. Hassan, aided by several un-orthodox lapses in the field, provided an entertaining century and received suitable assistance from Todd and Johnson, both members of the up-and-coming brigade.

But the most exciting stroke play was provided by the South African, Rice, who hit the ball so hard straight through the line that one instinctively knew that he had learned his cricket overseas.

Glamorgan, a national rather than merely a county team, who had gained their first win only in the immediately preceding match, have been handicapped by bad weather, strangely in such a year. Their highest weakness, which was thoroughly exposed by Notts, is an anemic attack. They lack both genuine pace and class spin. Without either, they cannot really hope to make much impression in three-day cricket.

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TENNIS BY JOHN BARR

Borg power gives Swed world-coveted title

THAT REMARKABLE 20-year-old prodigy Bjorn Borg, who has been setting records since he was 15, became the first Swede to win the world's most-coveted tennis title at Wimbledon on Saturday.

On another of those steamy, sultry centre-court days, his bounding power and staging service blunted the edge of the incoming Nastase, that the Swede's artistry to give him a decisive victory and a first prize of £12,500 in an unexpectedly one-sided final, by 6-4, 6-2, 6-1.

He thus duplicates Arthur Ashe's improbable feat of 1975, in winning both the WCT and Wimbledon titles in the same year. Nastase, a losing finalist to Stan Smith in 1972, is again cast in the role of bridesmaid, with a cheque for £7,000 to console him.

Although Nastase had won seven of his 10 previous meetings since 1972, this was their first encounter on grass and it was generally considered that the greater experience and nine years' seniority of Nastase would tip the balance in his favour.

Misleading

The start was misleading. Nastase, with a tight rein on his normally extrovert behaviour, won the first three games after surviving a break point in each of his first two service games. Borg then saved off three points, but would have put him 0-4 behind and proceeded to whip the ball past the amblyopic Romanian for 1-3 and then broke back with the aid of a Nastase double fault.

But now, despite the restricting effect of two punishing injections in his injured stomach, Borg began to open his shoulders on service. He peppered the service lines so consistently that Nastase must have been in danger of becoming blinded by the chalk and dust that flew from the bone dry surface.

By the time they were into the second set, so fierce had become the battle, that both disappeared beneath the wings to the dancing feet of the Romanians, that the third and seventh games.

In between, Nastase was passed a note, from his friend Jim Connors, it transpired. He read it as he sat slumped in the chair but the advice it contained to break free and play his normal, extrovert game, was ignored.

As the score raced from 3-2 to 6-2, Nastase gave only two points. As Borg served for the set he even ignored the linesman's call of fault and conceded another Swedish thunderbolt had hit the line.

Magic

Despite the urging cheers of a small section of the crowd, answered noisily at once by Swedish supporters, Nastase could not shake off his lethargy. More significantly, he had no answer to Borg's superior pace of shot or to his blinding pace about the court, which turned apparently hopeless situations into breathtaking winners.

When Nastase lost his serve in the opening game of the third set, as Borg pounced on a forehand at the net and crunched his volley home, Nastase's discomfort appeared complete.

So the games ran on until Borg served for the match, leading 5-4. Here we were treated to a glimpse of Romanian magic as Nastase saved a match point with a dipping return and a court forehand volley and then broke the serve with some astonishing reflex volleys and finally a vintage backhand passing shot that Borg could only dive at to volley into the net.

But the respite was temporary. Against a rising tide of Swedish aggression, Nastase was still foundering and with two simple

volleying errors he lost the second set, so fierce had become the battle, that both disappeared beneath the wings to the dancing feet of the Romanians, that the third and seventh games.

With the defeat of B King and Betty Stove 6-2 to 5 to Chris Evert and Navratilova in the doubles final, Mrs. K. to pass the record into Wimbledon titles with shares with Elizabeth.

It was a Wimbledon peaks of excitement in such sufficient back to from the order of play and poor crowd control. There were the police too of equal pay for equal treatment for all 1 nations to direct attent strangely inebriate mar unbroken backwater was reason, I am sure, for the attendance of 313,357, a 25,199 from last year's figure of 338,558.

YACHTING

Long drill

By Alec Bellby
THE ANNUAL oceanic Marston Cup, over the Royal Thames Yacht Club, became a long drawn in the Channel for all 1 taking part.

None of the 90 large in the top four classes as 200 miles of Southern evening.

The smaller yachts in five to eight, sailing on mile course, managed. Amongst the fleet, Zett was declared the p victor.

ATHLETICS BY MICHAEL THOMPSON-NOEL

Foster, Walker in record bid

BY MICHAEL THOMPSON-NOEL

LONDON YESTERDAY, Stockholm to-night. Looking for a speed win as a boost for Montreal, Foster and Walker, two weeks before an Olympic race over 1,500 metres in Stockholm this evening—his last race before the Olympic 5,000 and 10,000 metres in which his middle chances are high.

He will be up against the world mile record holders, New Zealanders John Walker, who according to the grapevine, will be taking a crack at Filbert Bay's world 1500 metres mark of 3 min. 32.2 sec. as a prelude to his departure for Canada.

Crystal Palace yesterday. Foster ran a breezy 1500m, but was beaten by a second by Canada's David Hill (3:41.92).

"I was disappointed," said Foster. "Coming off the last bend I thought I could get to him. I'm experienced enough to do

what I want—not what someone else wants."

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"I was disappointed," said Foster. "Coming off the last bend I thought I could get to him. I'm experienced enough to do

Birmingham's Sonia Lann. She won the 200m, in 24.5 sec. to add to her 11.28 on Saturday.

Opinion rates Miss Lann No. 3 in the world over and at No. 8 or thereabouts.

Geoff Capes won the 500m, (1:08.4) in an attempt to show that he is something to find it to be.

Saturday's opening session dominated by communal return to fitness. Pascoe, our hope for a 2 in the 400m hurdles.

David Jenkins just a Man's 400m. Jon Jan the veteran Pole.

On the field, the honour squarely to Jack Poland's epicene high record holder, who drops at 2.21m. (7 feet 3 inches)

ROWING BY CHRISTIAN TYL

Grand triumph for Tradesmen

PRECEDENTS of all kinds were sent packing on Finals Day at Henley Regatta. First, the final of the Grand, traditional climax of the regatta, became a fiasco as the Leander eight struck a log early on, lost their rudder and ended up splayed across the course.

The umpire allowed a re-row (the second of the regatta), but only after Thames Tradesmen had dutifully completed one mile 550 yards.

A greater disappointment came in a first-class final for the Wyfold coxless fours when a London Rowing Club fought a fine grim race to beat record holders Potomac in 6 mins. 56 secs. by just half a length.

On Saturday, with a following breeze, Potomac had clocked 6:54.

But Holy Spirit High School, from New Jersey, raised the Stars and Stripes with a victory over Emmanuel School in the Princess Elizabeth Challenge for school eights.

The most popular victory was Henley Rowing Club's over the University of Pennsylvania in the semi-final of the 7 Cup. Henley came from after his 0-5 temp loss to his own winning 1 and a half lengths to a tough-tackling Harvard at the final later on.

the loss of a stretcher pin in the No. 6 seat.

Earlier, American crews suffered two upsets in quick succession. University of London beat seedling Salisbury School, from Connecticut, in the coxless four's Viator Challenge after Salisbury had hit a boom early on and been forced to stop rowing for vital seconds.

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RACING BY DOMINIC WIGA

Three who may take doubles

TREPAN, WHO trimmed three seconds off Brigadier Gerard's course record for Ascot's 11 miles last month, lowered an old track record when outpointing the 2,000 Guineas winner, Wollow in Saturday's Stakes at Sandown Park.

Francois Boutin's handsome bay, who must now be considered to be out on his own as the best 11-mile specialist in Europe, never looked like being caught in the closing stages.

Wollow tried hard to close the gap in the last furlong, but the Frenchman always had his measure and had two lengths to spare at the line.

Turning to today's sport, three men who could be in for a profitable day's racing are Barry Hills, Denis Smith and Michael Stoute. I expect each of these highly successful trainers to achieve doubles.

EDINBURGH
2.00—Friendly Jester
2.30—Relative Ease
2.50—Hydrographic
3.00—Adams
4.30—Lutez
5.00—Prima

PONTEFRAC
3.45—Don Fortune
4.15—Courad
4.45—First Quay
5.15—Finte

WINDSOR
7.35—Adagio
WOLVERHAMPTON
6.45—Gradiva
7.40—Ina Couronne
8.10—Chenette
9.05—Botanist

winner of the day with two-year-old Frate.

This compact American Nolt gained a well-deserved success when he overcame odds of 4-7 at Brighton week. I shall be surprised if cannot account for an consistent sort. Char Revenge, in the Weather Stakes at Pontefract.

Stoute's lightly-weighted La Couronne, should provide answer to the Wolverhampton Stakes on the Midlands track.

A slightly disappointing behind Devil's Dike and Bon at Catterick a month ago, well-bred La Couronne, a by the Derby winner Blaken out of the Nardo mare. Bastille, has come on since the last few weeks to get that she should beat to-day's modest opposition from trainers to achieve doubles.

TV/Radio

BBC 1

† Indicates programme in black and white

7.05-7.30 a.m. Open University (UHF only). 1.30 p.m. Trumpion. 1.45 News. 3.45 Anno Domini. 4.25 Regional News (except London). 4.55 Play School. 4.50 Blue Peter. 5.15 Play Away. 5.45 News. 6.00 Nationwide (London only). 6.25 Tom and Jerry. 6.35 Dr. Who. 7.00 A Question of Sport. 7.25 Star Trek.

BBC 2

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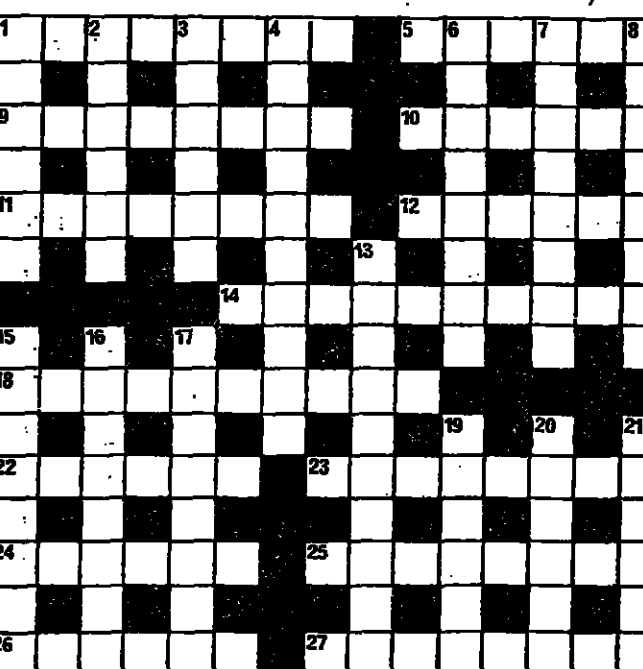
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F.T. CROSSWORD PUZZLE No. 3,122



ACROSS

Hanratty in Hell by B. A. YOUNG

Andrew Carr, the author of the play, has been a member of the first of the Michael Grogan and Miss Grogan's "separated" but lost his head in the course of his duties. Hanratty, who shared certain clues along the track (for example, he and Alphon had both stayed at the Vienna Hotel in Madrid on the same night), was chosen as the easier target by anyone else, but he was not to be served, but he chooses to simply to dish up the familiar material in a new way, as broad comedy.

He two threads run side by side through the play. At the first we meet Hanratty in Hell, the facts of his case are reconstructed by two nial policemen named, obviously I should have thought, as two notorious wrongdoers.

The Bread Shop by MICHAEL COVENEY

Brecht's collection of short stories, written between 1929 and 1934, as he struggled to complete *John of the Stockyards*, surfaced at the Berliner Ensemble in 1967. This version, written by the author, vividly depicts the growth of big business in pre-war Berlin. What it is, it fails to discover, a force in front of an elitist dience of brainwashed lefties, uttering sympathetic approval, a programme note which, since that because the art of employment is still with us, it's play has "relevance".

The chief character is the idow Queck who finds herself in the street with five children as a result of failing to comply with a materialistic opiracy operated by her landlord and a mysteriously American

Harold Holt Gala by RONALD CRICHTON

Now that concert agents are as numerous and nearly as hardy as harpists, one forgets they are among the comparatively recent lessings of civilisation. They only really got going in the later art of the 19th century. A hundred years ago, a Dresden called Alfred Schulz-Curtius started a firm in London which now bears the long familiar name of Harold Holt. Over the century of its existence there have only been four men at the helm - Schulz-Curtius, Lionel Powell, Holt (a genial, clubbable sort of man, as I remember him, who looked as if he could afford to want to get to bed), and the present chairman, Ian Hunter.

The centenary was celebrated on Thursday with a Grand Gala in the Albert Hall - all warm and quivering with glossy programmes used as fans. A great number of distinguished artists gave their services for the occasion, which should produce a worthy windfall for the Musicalians Benevolent Fund. Since Harold Holt leans more to

Sanskritik No. 6 by DAVID MURRAY

The Sixth Sanskritik Festival of Arts began last Thursday: scrappily, I'm afraid. Each of five artists, with accompanists, was allowed a turn of two, and there was some palpable anxiety to make personal impressions as quickly as possible. The heart of Indian music is controlled improvisation within elaborate formal limits - inventive construction, not mere self-expression, when mannerisms take over, the art sinks to a provincial level.

Nothing here compared even remotely with the magnificent recital in May by the singer Nizar Hussain Khan. Sunanda Pattnaik, a lady with something of Melina Mercouri's domineering face, conducted her short-breathed phrases with lethal finger-stabs into the air, as if killing small birds. Sipra Bose's singing, in the Thumri style, sounded well-schooled and shapely, but her small voice barely penetrated through her accompaniment (some clean, fresh tabla-playing from Goriada Bose).

South Indian classical dancing was represented by Geeta Nair, and North Indian by Shovana Narayan and Brojen Mukherjee. A duet by the latter pair was lithe and elegant; the rest was swooning, silent-film grinning and adjectively bright smiles. Edwina's Festival-goers will remember the classical balance and marvellously etched gestures of Balasaraswati: can that tradition have died? At least the melting evening raga which began the concert, tenderly intoned by the whole company in turn, reminded us of what Indian music is about.

The Royal Ballet by CLEMENT CRISP

A double "welcome back" at the Opera House on Thursday: for the Royal Ballet returned from America after what has been reported the most successful season since the triumphant initial visit in 1949, and for Antoinette Sibley, restored to the company after maternity leave. Both parties were in fine form. Miss Sibley and Anthony Dowell brought off the *Thais* *pas de deux* as only they know how, after which Miss Sibley was almost submerged in honours and the whole company ignored the stifling heat to deal tremendously with *Rituel*. A *Nocturne* in the

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Elisabeth Soderstrom

Cheltenham Festival Bliss and Shostakovich by MAX LOPPERT

Cinder-dry, at least until the Saturday evening storm, and cauldron-hot, Cheltenham has nevertheless managed a brave showing for its 1976 Festival. A focal point this year is the music of Arthur Bliss, President of the festival from 1965 until his death last year, but never (owing, probably, to the modesty of the man) dominant in Cheltenham programmes. Recitals of his chamber music and songs from the periods appropriately called "The Revolutionary Bliss" and "The American Bliss" are, at this point of writing, still to come; and throughout the ten days there is a generous measure of the orchestral compositions.

Friday's opening concert in the Town Hall, by the BBC Northern Symphony Orchestra under Raymond Leppard, brought forward two Bliss pieces separated in time by almost half a century. The illumination of such a pairing - the *Metamorphic Variations* of 1922 followed by the *Introduction and Allegro* of 1926 - was the way the style set early and remained constant. Its grasp of an orchestra, inclining always to full, bright colours and a solid textural weave (maintained even in thinly scored passages), the always purposeful formal outline, at once handy, modest and capable of exuberance, and the feeling of emotional security, even conventional, that is not disguised, and was not intended to be, by "modern" musical gestures. The *enfant terrible* Bliss was in many senses, an illusion.

A criticism may be implied, and may have to be about such consistency, about Bliss's failure to provide critics with the kind of remarkable evolving

Ape and Spy cartoons at National Portrait Gallery

An exhibition of cartoons by Carlo Pellegrini (Ape) and Leslie Ward (Spy), with other contributors to *Vanity Fair* magazine, will open at the National Portrait Gallery on July 2. Besides work of many kinds from *Vanity Fair* (which lasted from 1868 until 1913) the exhibition will include cartoons from rival contemporary magazines of the same type.

Two awards for William Trevor

William Trevor has been awarded two important literary prizes. He is one of two writers (the other being Malcolm Bradbury) to share the 1975 Heinemann Awards given annually by the Royal Society of Literature. The prize of £500 is for his last collection of short stories *Angels at The Ritz* and was recently presented by Lord Butler at the Royal Society of Literature.

He is also the winner of the 1975 Allied Irish Banks Award, administered by the Irish Academy of Letters, which this year has been increased from £500 to £1,000.

Louis Armstrong anniversary concert

This year's Louis Armstrong anniversary concert will be held tomorrow, at Fairfield Halls, Croydon, starting at 8 p.m. Playing will be the Alex Welsh band, trumpeter Humphrey Lyttelton, who will also compete the concert, and the American cornettist Ruby Braff, who will play with the Welsh band and also the trio of drummer Lennie Hastings.

'Water Music' on the water

On Sunday August 15, Arthur Davison will conduct the Little Symphony of London in a performance of Handel's *Water Music*, while cruising upon the Thames.

This is only the third time that this has been done in the history of this music. At the first performance, George I ordered the music to be played through three times.

The boats will leave Tower Pier at 7 p.m. in the direction of Hammersmith and will return at around 9.30 p.m.

Capriccio by RONALD CRICHTON

This revival of *Capriccio* is excellent. Glyndebourne's touch with Strauss is now as sure and happy as it used to be with Mozart. To leave the musical side for the moment, I doubt if comedy acting of this quality can easily be matched to-day on English legitimate stage, or if any producer has mapped out the ebb and flow of conversation and mild intrigue so clearly and amusingly as John Cox - with such a structure he can broaden the dance and Italian opera interludes in a way that would otherwise stretch the brittle web to breaking-point. I had only seen the re-vamped *Capriccio* at the Proms, with Martin Batterby's costumes but without his furniture or the scenery by Dennis Lennan, more convincing as a twenties drawing-room than it was in its first form as an 18th century salon. The updating does not pay off in every detail. Some allusions in libretto and score - to Gluck, for example - become mysterious. The ballet scene, with post-Freud bird costumes, and choreography, seen only in Strauss' rocco repro at that point.

Twenties clothes and - props, however, are still (if only by the skin of their teeth) less of a cliché than 18th century ones. And in two important respects the change of period is a gain. Crinolines and wig somehow flatten the character of the Countess faced with the choice between two suitors symbolising the essential ingredients of opera - music and words. The rocco period tempts the most experienced sopranos to a generalised blandness and conventional refinement. Larocche the impresario, voluble spokesman for the dowdy earth, gives the audience what it wants - school performance. Done as well as at the same time forever taking this into realms of theatrical fantasy, is more believable as an opera.

Plans for second season of Le Theatre Magie announced

The second season of Le Theatre Magie, the marionette theatre, at 274 Queenstown Road, Battersea, London, S.W.8, opens on September 19 with *Die Jubilee* celebrations the company will present *London Trade*, a gala until March 12, 1977, and last performance of *Das Rheingold* and *Die Walkure* as a Christmas season of *The Sleeping Beauty*.

Future plans include three complete cycles of The Ring and the complete cycle of the company from Easter next year until London, S.W.6.

'Last Chorus' in Denmark

British film director/producer John Jeremy, who has made a number of documentaries with jazz and blues settings, is preparing his first full-length feature film, *Last Chorus*, which is expected to begin production in Denmark in September.

Though set in a jazz ambience, *Last Chorus* will have a wider appeal as it is about a veteran musician who falls in love with a young girl who decides to put his life in order and visit his friends before he does so. The character is based on the American tenor saxophonist Ben Webster who spent his latter years in Europe before he died in 1973.

Meanwhile John Jeremy is taking his programme of jazz/blues films including his own to several jazz festivals in Europe this summer including Fort Muiders, which is about Finland and San Sebastian, to die and who decides to put his life in order and visit his friends before he does so.

BOLIDEN

GROUP

Net sales and profits

During 1975 the Boliden Group net sales fell somewhat to Skr 2 375.8 million (1974 Skr 2 503.8 mn). The operating profit after straight-line depreciation dropped sharply to Skr 2.5 mn (364.5). The loss before appropriations and taxes was Skr 32.5 mn (-365.8) and the net profit was Skr 38.7 mn (42.2). The adjusted net loss was Skr 19.9 mn (-163.0), equivalent to a loss of Skr 6 per Boliden share (+48).

The operating profit after straight-line depreciation forecast for the Group in 1975 was Skr 150 mn, under given assumptions as to the prices of certain non-ferrous metals. In the year's three interim reports the profit indications were gradually revised downwards in consequence of the exceptionally deep and protracted international recession, bringing with it low prices and poor utilization of production capacity. The effects were especially pronounced in the raw materials producing industries, where the main business of the Boliden Group lies. Due to heavy stock build-ups on the part of both producers and consumers, the economic upturn that could be recorded during second-half 1975, mainly in the USA, had not made any noticeable impact on Boliden's most important markets by year-end.

PARENT COMPANY

Production

Copper production fell to 57 000 tonnes (59 900), lead to 38 700 (45 200) and gold to 3.4 (3.7), whereas silver production rose to 91 (90). 25 200 tonnes of zinc clinker were produced (26 900). Sulphuric acid production fell to 685 700 tonnes (825 800), solid chemicals to 514 000 (528 800).

Net sales

Net sales for the Parent Company, Boliden AB, fell to Skr 1 370.6 mn (1 560.7). The operating loss after straight-line depreciation was Skr 13.9 mn (-269.1).

Net profit and dividend

For 1975 the Parent Company reports a net profit of Skr 45 mn (35). Together with the balance of Skr 4.0 mn brought forward from 1974, Skr 50 mn were at the disposal of the Annual General Meeting. The Board of Directors recommended a dividend of Skr 10 per share (Skr 10 - Skr 1 in bonus for 1974), with Skr 34.7 mn to be set aside for this purpose, and further proposed that Skr 14.4 mn be transferred to the supplementary legal reserve and the remaining Skr 0.9 mn be carried forward to new account. The reports and accounts were approved by the Annual General Meeting of shareholders on the 17th of May 1976 in Stockholm.

FIRST QUARTERLY REPORT FOR 1976

Group sales during the first quarter of 1976 were Skr 509 mn (550). The improvement of price levels on the metal market means that the downward earnings trend is reversed. It is estimated that the 1976 operating profit after straight-line depreciation will rise to Skr 100 mn (2.5), equivalent to an adjusted net profit of about Skr 5 per Boliden share (-6).

GROUP PERFORMANCE IN BRIEF

SKr million	1975	1974
Net sales	2 376	2 504
Cost of sales, selling and administrative expenses	-2 247	-2 018
Gross operating profit	129	486
Straight-line depreciation	-126	-121
Operating profit	3	365
Non-operating net	-43	-17
Extraordinary items	8	18
Profit before appropriations	-32	+366
Loss before appropriations	-32	-
Appropriations	121	-258
Profit before taxes	89	108
Taxes	-56	-41
Minority interests	8	25
Net Profit	39	42
Adjusted net profit Skr per share	-	47
Adjusted net loss Skr per share	-6	-
Dividend, Skr per share	10	11

CONSOLIDATED BALANCE SHEETS

	1975	1974
Cash	211	309
Other current assets	1 145	1 090
Fixed assets	1 587	1 479
	3 043	2 878
Current liabilities	508	528
Long-term liabilities	865	589
Unsettled reserves	1 067	1 150
Minority interests	77	82
Shareholders' equity	526	529
	3 043	2 878

Boliden is the leading Scandinavian producer of non-ferrous metals and related inorganic commodities.

COPIES OF THE FULL REPORT may be obtained from Boliden Aktiebolag, Information Department, Box 5508, S-114 85 Stockholm, Sweden; or from Boliden Intertrade (UK) Ltd., Oak House, London Road, Sevenoaks, Kent TN13 1BL.

HOME NEWS

More telephone equipment orders are cut

BY CHRISTOPHER LORENZ, ELECTRONICS CORRESPONDENT

THE POST Office has told its telephone exchange suppliers that orders are to be cut further this year.

The reduction is much less dramatic than last autumn's, but is concentrated on the programme for electro-mechanical designs, where it represents a drop of nearly 6 per cent. The schedule of orders for more modern, semi-electronic exchanges is unchanged.

The manufacturers — GEC, Plessey, Pye and TMC and Standard Telephones and Cables — were given the news in April, six months after the Post Office previous "profile" of forward ordering, which, taking all exchange types together, was itself almost 25 per cent below the original programme for 1976-77. Taking all designs together, the new cut amounts to an additional three per cent.

In spite of the apparently minor amounts — about £4m. at constant (Nov. 1974) prices — the cut will have some impact on employment, especially since it affects labour-intensive electro-mechanical equipment. Unlike last autumn, it will not cause mass redundancies.

The cut appears to dash any hopes of a short-term restoration of orders in response to the dramatic turn-round of Post Office Telecommunications, which produced a much larger profit in the 1976-77 financial year than the £50m. it had forecast.

This performance was partly due to demand for telephones, as well as traffic, proving slightly higher than expected

a year ago. But the fall in inflation, especially through its impact on labour costs, was of at least equal importance; this has no direct effect on the Post Office's equipment requirements.

When a substantial turn-round in Post Office profits first became publicly apparent in the spring, the Post Office claimed that the improvement in demand and traffic had been taken into account in its October profile of equipment orders to industry. Subsequently, its profit estimates rose still further, but its assessment of equipment requirements dropped as it reassessed the amount of over-capacity already in the network.

April orders of electro-mechanical switching equipment for "works" going direct to exchange buildings were about £59m. at November 1974 prices, nearly 14 per cent down on last October's forecast.

This reflects drops of over 20 per cent on "strawger" designs and about 8 per cent on crossbar and brought their joint volume down to the level of a theoretical "worst case" warning which the Post Office delivered last September.

Half the new cut has been offset by an increase in the orders for "stores" (equipment which goes into Post Office stores). This will be distributed to exchange sites when needed, one of its functions being to act as a buffer as well as a source of demand in parts of the country.

Bottles 'cheaper to use than cans'

By Kenneth Gooding, Industrial Correspondent

THE BATTLE between bottles and cans has flared up again, fanned by a strongly-worded statement from the Glass Manufacturers Federation.

The dispute is over a campaign the federation has launched to persuade brewers to use more bottles, particularly, they claim, as a 10 oz. no-deposit bottle can be up to 1p cheaper than a similar sized can.

This met with an indignant reaction from Metal Box, which makes 70 per cent of the cans produced in Britain. The glass manufacturers had based their claims on a number of inaccurate assumptions, Metal Box asserted.

Now the federation says the arithmetic has been done again after updating and the cost advantage to the bottle is still nearly 1p—actually 0.45p. It also challenged Metal Box to state publicly what is "the price of a can," given that Metal Box suggested that the glass makers had been "substantially wrong" with the one they chose to quote.

The GMF considers it quite unrealistic for Metal Box to dismiss our figure as substantially wrong without making public a figure which it regards as correct.

This point is perhaps the most important one, as the basic can price is obviously the key factor in the dispute. It represents up to 80 per cent of the total packaged cost for canned beer.

Dr. M. J. De Meirleir, who founded Plant Location International 15 years ago, contends that industrial incentives are still the most complicated and the most misunderstood factor in the process of a company deciding its future investment programme.

He says the survey shows up

to a wide range of potential investments.

To arrive at fair comparisons between the widely differing forms of aid, grant, and tax relief offered by the Common Market countries to industrialists, the survey uses the technique of comparative analysis.

A selection of theoretical industrial investments, ranging across the spectrum from labour intensive to capital intensive, are tested against the investment incentives given by each of the Common Market countries. The study concludes. Such harmonisation would reduce competition between member countries in attracting industry.

"A Comparative Analysis of the Incentives Offered to Industry in the Common Market Countries," Plant Location International, 17 Stratton Street, London, W.1, and International Centre Rogier, Brussels. £250.

Under control

The rate of inflation in Britain and the degree of labour unrest are noted as appearing to be "more under control now."

Fears of large-scale nationalisation, said to have subsided, but British industrialists are reported to be still holding back major investment decisions because of uncertainty about the value of the pound.

More uniformity should be encouraged in the investment incentives given by each of the Common Market countries, the study concludes. Such harmonisation would reduce competition between member countries in attracting industry.

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Support

The essence of the CBI approach was "development of a strategy for national recovery and discussion of the next phase of wage and price restraint at the earliest possible moment."

The CBI's "full support" of industrial strategy based on sectoral working parties marked a clear change from its earlier disavowal at the end of 1974.

"I've been reproached by several Government members for saying that the original Chequers meeting [to set the strategy in motion last November] ran into the sand."

"But I don't withdraw that. What happened now is that the Government has moved towards the middle ground. It's accepted the need for profit in industry and a diversion of resources into the productive sector. It's our job now not to argue about where the mixed economy has got to but to accept that it's here, make it work and make sure we keep pushing the Government further into the middle."

"We've been disappointed before. We were badly disappointed after Chequers. So we've got to be constantly going by Government action on the price code, on the strategy, and on its own words."

By MICHAEL BLANDEN

A CUT of up to £20m. in planned public spending in 1977-78 is needed to keep the growth of the money supply in line with expansion of the economy, say the latest economic forecasts produced by stockbrokers Phillips and Drew.

The predictions are rather less optimistic than before on the future course of inflation in the U.K., and they stress the importance of the monetary and economic questions: the course of public spending in 1977-78 and strategy on wages from mid-1977 onwards after the second stage of restraints expires.

The standby credit of \$5.5bn. announced last month had given the Government a breathing space of between three and six months in which to clarify official intentions on the future course of policy. By temporarily relieving pressure on the exchange rate, the Government now has time to consider more

calmly its attitude to the two questions.

The review says that a further cut in planned public spending is likely to be required both by conditions which the International Monetary Fund would demand for loans after the standby runs out and by domestic anti-inflation policy.

On projections in the latest Public Expenditure White Paper, Phillips and Drew judge that financing of the public sector deficit would result in an increase of 15 to 20 per cent in the wider definition of the money supply (M3) in the year to end-1977.

This would be difficult to reconcile with a policy aimed at keeping domestic inflation in single figures in the medium term.

To keep the growth of M3 more in line with nominal gross domestic product in the next 18

months, they suggest cuts of £20m. in public spending would be needed.

Difficult

It is essential that active public spending should be not as a substitute for medium-term policy on income but as a complement to it.

problem of "re-entry" to a flexible approach to wage determination after mid-1977 will be "severe." We believe it will be difficult to keep average settlements below 15 per cent in whatever form of policy act adopted.

In the present phase of policy, the brokers expect age earnings to rise by 8 per cent over the next 12 months. This compares with previous expectations, allow for increased overtime, of a 7 per cent rise under the policy.

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STAINLESS STEEL users may have to face two more price increases before the end of the year, a leading stockholder said at the week-end.

The Alloy and Metal Group says in a newsletter to customers: "It would be difficult to pinpoint any one stainless steel product which will not increase in price at least twice during the second half of the year, as the producers bring prices in line with current costings."

A British Steel Corporation stainless steel price increase of between 8 and 23 per cent becomes effective to-day. "BSO is already talking about the possibility of a further increase in October," says Alloy and Metal.

World-wide inflation, he argues, cannot be solved by means of simple, mechanistic expedients which ignore social and political consequences of economic policies.

Mr. Panik draws attention to the "aspirations gap"—the gap between the standard of living people have and that which they would like to have.

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OVERSEAS NEWS

Nimairi blames outsiders for coup

Y ALAN DABRY

KHARTOUM, July 4.

SIDENT Jaafar Mohammed al-Bashir yesterday recalled from a complete picture of the events of the past three days. Security forces appear to have got wind of impending trouble some time on Thursday. Several arrests were made that evening. There was isolated fighting in two days of fighting, at least as many wounded. The coup, the fourth major attempt on his regime which al-Bashir has survived, as not until Saturday afternoon that the President was able to take part in the attack on the rebels, and at least 300 are thought to have been killed in the fighting. The rebels were mercenaries from Chad, the Sudan, Ethiopia and other African countries.

It was still difficult to-day to form a complete picture of the events of the past three days. Security forces appear to have got wind of impending trouble some time on Thursday. Several arrests were made that evening. There was isolated fighting in two days of fighting, at least as many wounded. The coup, the fourth major attempt on his regime which al-Bashir has survived, as not until Saturday afternoon that the President was able to take part in the attack on the rebels, and at least 300 are thought to have been killed in the fighting. The rebels were mercenaries from Chad, the Sudan, Ethiopia and other African countries.

British residents

At the same time Khartoum residents were woken up by gunfire at the General Staff Headquarters. The firing continued throughout the day, spreading to the El Shagagars barracks on the southern outskirts of the city. Omdurman radio, failed to come on the air as usual at 6 a.m. and remained silent until Saturday afternoon, leaving most

of the population bewildered. Late on Friday afternoon army trucks filled with soldiers lying flat inside were seen raiding parts of the city where rebels were thought to be holding out. Foreign visitors to the city congregated in the British expatriates' club, the Sudan Club in the centre of the capital, and some were trapped there on Friday night when fighting broke out again at dusk following a lull in the late afternoon. Both the club and the British Embassy, in an office building a few hundred yards away, were repeatedly hit by bullets as they lay directly between loyal troops defending the Presidential Palace and rebels firing from tall modern buildings nearby. However no casualties among foreigners were reported.

Warning to Syria if Beirut camp falls

BY HSN HJAZI

BEIRUT, July 4.

HTING BETWEEN rival factions here has gained momentum after a mission by the Arab League failed to bring about an effective ceasefire. The Arab bid to find a solution to the Lebanese crisis in serious danger. Furthermore, Palesian commanders have issued warnings of grave consequences if the Palestinian camp of Tal al Zaatar falls to Hittin forces. The Right-wing offensive to force the camp entered its tenth day today with both sides continuing to make claims counter-claims on the situation. The Right-wing said their forces were inside the camp and in "mopping up operations" while a communiqué by the Palestinian Left-wing alliance said the 42nd attack by the Right-wing on the camp was crushed. The first ceasefire in the 15 days of Lebanese civil war has been accusing the Syrians of collusion with the Right-wing in the attack against the camp.

Egyptair in exchange rate row with cabinet

BY MICHAEL TINGAY

CAIRO, July 3.

CHANGES IN foreign exchange regulations are leading to a major confrontation between Egypt's national airline, Egyptair, and the Government. Mr. Nabil Hashad, chairman of Egyptair, has demanded a meeting with top Cabinet members and says he will resign if Egyptair is not allowed to purchase foreign exchange at the official rate of 39 piastres per dollar. Three Boeing passenger aircraft will remain grounded if Egyptair cannot buy spare parts. An immediate \$5m. is needed but the Government is asking Egyptair to buy the cash at the more expensive parallel exchange rate. This would cost the airline more than 50 per cent more than the official rate of 39 piastres per dollar as originally budgeted. The crisis is not simply one of shortage of cash: the entire 1978 hard currency budget for Egyptair is affected. Mr. Hashad, who was brought in three months ago to take over the debt-ridden airline, has overnight found himself faced with a bill for £56m. hard currency budget instead of £23.5m. He is making this a resignation issue. It is understood,

America finds a festival spirit

By Jurek Martin

WASHINGTON, July 4. AMERICA celebrated its 200th birthday in style to-day. All across the country, cities, towns, communities and households were planning parades, fireworks and demonstrations in honour of the Declaration of Independence in Philadelphia in 1776.

There is a remarkable mood of unity abroad. Dissension seems to have been laid aside for the moment. There have been a few bombs in Boston in the last few days, for unexplained reasons. The American Nazi party tried to stage a rally outside the White House yesterday, but could muster only 50 Brownshirts instead of the promised 1,500, while even the events put on by radical groups, like the People's Bicentennial Commission, have themselves something of a festival air.

The main attractions are on the East Coast — here in Washington, the nation's capital, in Philadelphia, where it all began, and in New York City, where the celebration is taking place in all three places to-day, as well as to the patriotic shrine of Valley Forge, Pennsylvania, making speeches extolling the merits of America past and present.

The event that has perhaps captured the attention of the country more than any other will take place in New York, where Operation Sail reaches its climax when a flotilla of tall ships, the grand multi-masted square riggers of the past from 22 countries, flanked by warships from many other countries, will sail around Manhattan Island.

It is impossible to beg, borrow or steal a ticket on the regular Circle Line cruise ships which ply the Manhattan route and which offer the best vantage points for today's parade.

Just about every newspaper in the country has come out with special bicentennial issues this morning. The Washington Post, for example, has produced a booklet-sized commemorative volume, the product of months of work by its staff, while its normal editorial column has been given over to a reprint of the Declaration of Independence itself.

Communist to get key Italy assembly post

BY DOMINICK J. COYLE

ROME, July 4.

THE NEW Italian Parliament, at its inaugural meeting here to-morrow, will elect a Communist Party (PCI) Deputy as President of the Lower House, the first time for 30 years that this post—corresponding roughly to that of the Speaker at Westminster—will have gone to a PCI nominee. On the last occasion, the Communists were actually participating directly in the Government.

The long-ruling Christian Democrats (CD), who in last month's general election managed to retain their position as the country's largest political party in the face of a strong Communist advance, are still rejecting publicly PCI demands for a direct role in the Government. However, some observers here see this CD agreement to a Communist President in the Chamber of Deputies as an "interesting straw in the wind."

The surprise meeting yesterday between the leaders of Italy's six principal political parties has already been denounced by extreme Left-wing factions as a by-passing of the normal Parliamentary process. But it has also given rise to some moderate optimism here that it could be the forerunner of a similar party dialogue both on the formation of a new Government—Italy's 38th since the fall of Fascism—and on a package of legislative measures to tackle the country's pressing economic and social problems.

Giscard to meet Schmidt

BY ROBERT MAUTHNER

PARIS, July 4.

THE MEETING between President Giscard d'Estaing of France and Herr Helmut Schmidt, the West German Chancellor, in Hamburg to-morrow, is seen in Paris as a good opportunity to confirm the close triangular relationship between France, West Germany and Britain after M. Giscard's State visit to London last week.

The rapprochement between France and Britain was never intended to be an exclusive arrangement in either French or British eyes, and was also welcomed in Germany as a way of forging closer bonds between the three major members of the European Community.

President Giscard will also do his best to put an end to the "family tiffs" which have slightly soured Franco-German relations over the past two or three months, but which have probably been exaggerated because of Gaullist susceptibilities. Herr Schmidt's remarks earlier

Political killings mount in Argentina

THE mounting wave of political violence in Argentina here escalated still more to-day with the killing of three priests and two seminarians ministering principally to an Irish-Argentine parish in Buenos Aires, writes Robert Lindley from Buenos Aires.

Terrorists broke into the parish house alongside St. Patrick's Church in the Belgrano district of Buenos Aires before dawn and riddled the five with machine-gun fire.

Early reports that the slain priests and seminarians belonged to the Third World movement were strongly denied by the St. Patrick parishioners who were gathered outside the locked church when the five bodies were removed from the parish house and taken away in three federal police ambulances. The church itself was smeared inside with slogans of the Marxist People's Revolutionary Army, and police found bombs in the church timed to go off during the 10 a.m. mass.

£7.5m. Soviet contract signed

Davy-Lowry of Sheffield has signed a £7.5m. contract with V. O. Stankoinport, Soviet foreign trading organisation, for two 2,500-ton forging presses to be supplied to the Soviet Union early in 1978, reports David Satter from Moscow.

The contract, which will be financed through the £950m. export credit extended to the Soviet Union by the U.K. as the first contract signed by a British firm with a Soviet trading organisation in several months and brings to £23.5m. the amount of proffered credit that has now been taken up.

No Irish pay deal

Delegates from the 90 unions affiliated to the Irish Congress of Trade Unions have voted by a margin of only nine votes to reject the 1976/77 national wage deal which the Dublin Government maintains is vital if the Republic's inflation rate is to be reversed. As a result, the week-old bank strike is expected to last throughout the summer.

Clerides chosen

Mr. Glafkos Clerides, president of the House of Representatives, and a moderate Greek Cypriot politician, was to-day unanimously elected leader of the Right-wing "Democratic rally" at the party's founding congress in Nicosia. The party was formed to contest the general elections scheduled for September 5, writes our Nicosia correspondent.

Nothing succeeds like success.

In a service industry as fiercely competitive as the airline business there is only one sure measure of success: customer preference between the competing airlines.

1974 and 1975 have been the worst in the history of the airline business ICAO figures show that passenger and cargo growth has generally been restricted to 11% and capacity to 9%.

But PIA, serving 54 destinations in four continents, has proved itself a dramatic exception to this trend.

Passenger Growth	95%
Freight Growth	98%
Capacity Growth	85%
Revenue Growth	105%

PIA acknowledges with gratitude your participation in this unique achievement.

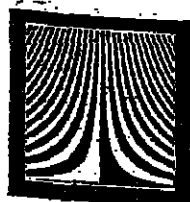
Your confidence in us has made it possible for us to put at your service an even more modern fleet by adding four DC10-30s, one Boeing 707, three Boeing 720s, and two F-27s. And now the ultimate in passenger comfort: two Boeing 747-200Bs. Thank you.



PIA
Pakistan International
Great people to fly with

£2bn.

and Oheran



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

RADIO & TV

Bright picture for U.K. venture

WHILE MANY electronics companies frequently talk of large "picture-frame" flat TV screens and have for years been seeking the technology breakthrough which such a development entails, an unsatisfied market for wide-screen TV has been building up, primarily for use in public places, but also for the "home that has everything".

But although component prices have fallen sharply, demand for the available quality projection television is such that, if anything, there is a scarcity market and prices have tended to firm.

Because of this, somewhat anomalous situation—none of the big names in set making appear to have tackled the market—analysts forecast that in America alone, there will soon be an annual market of around \$150m, a U.K. based group has set out to capture the top of the world market with equipment that can only be described as outstanding.

It projects a brilliantly clear picture on a 74-inch diagonal screen using a projection tube of advanced design on which some 17 U.S. patents, inter alia, have been taken out. Interestingly, there appear to be no patents in that country in this particular area.

Being built entirely in Britain at a plant near Billingshurst, Sussex, it uses 95 per cent. local components and is backed by a technical team which has spent two years on perfecting the product.

Picture clarity derives from two factors. The tube provides between 25 and 30 per cent. more light than in the best of the competition and focusing and static convergence control is simplicity itself. At the same time, the screen is coated with a scratch and finger mark proof

POLLUTION

Aeronca is naturalised

CELEBRATING its emergence as a fully owned U.K. company after seven years as the subsidiary of a U.S. group, Aeronca International is making a world launch of an electrostatic precipitation unit for use in plant with a severe air pollution problem, such as that caused by welding.

It has called this unit the "Mistral".

Aeronca has been bought out completely by the managing director Mr. Kenneth Johns (who continues in this position) and Mr. Forbes Hayes, previously one of the directors and now chairman. A former sheriff of Glamorgan, he has been for eight years a director of Hill Samuel, a position from which he has now withdrawn.

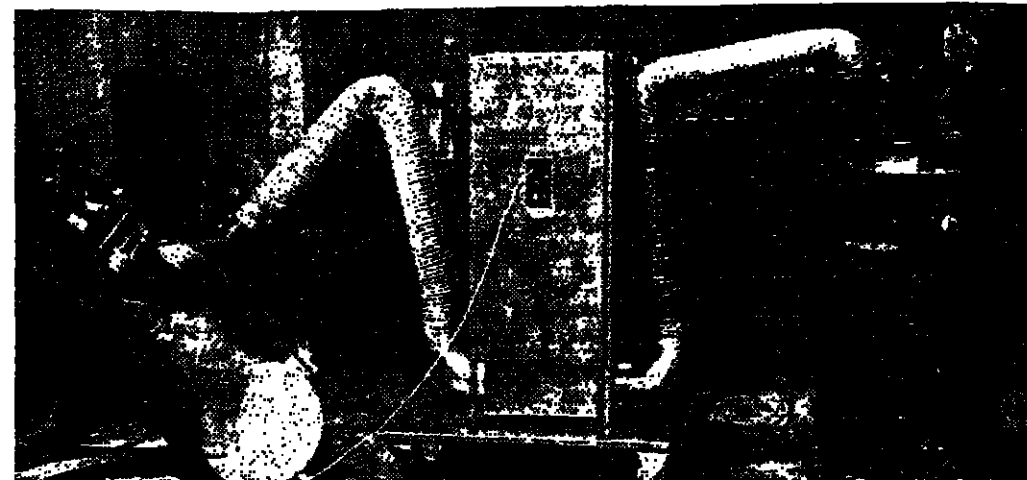
In addition to the U.K. operation, the newly independent body has acquired control of two European subsidiaries. One in West Germany is an air conditioning specialist and the other, in Spain, makes profile milling machines.

Aeronca, which is required to change its trading name in the next 12 months, will continue to specialise in its lines of electrostatics, air conditioning, air pollution control and liquid filtration and while its financial links with the U.S. company have been severed, there will continue to be close technical collaboration.

Of the new Mistral unit, the company says it will prove a boon in cold weather since it removes pollutants from the air and returns the warm air to the plant environment.

Two independently positioned ducts allow two welding or other operations to be covered simultaneously. Conventional mains power is required and the filter is easily withdrawn for simple cleaning.

Any airborne pollutant down to 0.03 micron particle size can be handled, including dusts from burning metals, oil mists and grinding dusts.



Aeronca's Mistral electrostatic fume treatment unit shown at work with two welding units simultaneously. It will cope with most common industrial pollutants including oil mist.

Aeronca management sees the present soaring weather across Europe as a source of further business since so many air conditioning plants have been shown to be inadequate to cope, at least for weeks on end. The company claims to be the market leader in Europe in air terminal installations.

Aeronca International, Penarth Road, Cardiff. 0222 387878.

Purifies oils and fluids

RECLAMATION OR continuous conditioning of mineral oils and synthetic fluids by vacuum distillation can be carried out with the APVAC purifier from APV-Bowser Filtration, 21 Progress Way, Croydon, Surrey CR0 4XD, (01-681 0428).

Made of stainless steel, it is intended for the removal of acidity from mineral oils, glycols and phosphate esters (used in power station hydraulic control systems). It can be supplied as a static or mobile unit.

Grossly contaminated oils or fluids can be treated, while for insulating oils, such as those used in extra-high-voltage power transmission systems, there are similar units called BOWVACS, with throughput capacities from 120 to 3,000 gal/hr.

Water content in new charges of insulating fluids can be reduced from 50 ppm to less than

MATERIALS

Steel stock positively identified

LOW COST and virtually fool-proof, a new method has been developed of identifying steel ingots in any condition.

Developed by Rosoco Steel Mills (U.K.) (Fosco Minsep), it is now being marketed by group companies world-wide and it has been evolved to counter the observed problem that the soaking pits in steel plants, where the ingots are re-heated prior to

rolling, and the cold stock areas are the two points in the production cycle where confusion is most likely to occur.

Mixing of ingots can, however, result in losses if the final product is not up to specification—or if a high grade material is used to produce a low-grade end-product.

Ingadex is the trade mark chosen for the method and materials used in this marking system.

It is based on numbers, letters and shapes in a ceramic foam, provided at present in three sizes of 2 x 1 1/2 inches, 5 x 4 inches and 8 x 8 inches.

These symbols can be used to identify a cast or a particular ingot within a cast, or different ones can be used to denote various qualities of steel.

Fixing to the inner walls of the ingot moulds is either by fast-setting adhesive or by cartridge painting. When the ingots are teemed, the numbers strip from the side of the mould as an integral part of the mould.

On red-hot metal the digits stand out as dark markings, while on cold ingots they will show up white. In rolling, however, the porous nature of the material allows it to pick up fluid from the roll coatings, making the marks stand out even more in the first pass.

Ingadex is low in density and disappears after a number of passes. Trials have been made to see what detrimental effects, if any, could be expected and they have proved negative.

Patents have been granted or applied for in many countries. Further technical information on this development from Dr. J. A. Catherall, Fosco Steel Mills, Tamworth, Staffs. B78 3TL, Tamworth 4141.

Carrying hazardous effluent

REDLAND PURLE required a vehicle which would meet design code ASME 8 for pressure vacuum tanks, comply with present and possible legislation which could apply to the carriage of hazardous wastes (and, of course, with present legislation), and provide the maximum standard of safety during loading, transit and unloading both for the operatives and the general public.

Requirements defined above have been met by a new trailer designed by Crane Fruehauf, Hayes Gate House, 27, Uxbridge Road, Hayes, Middx. (01-848 0225).

ENERGY

Power unit on utility vehicles

CONVERSIONS to provide Land Rovers and similar vehicles with their own standard electricity supply—without any integral loss of carrying space in the rear—have been developed by Transpower, of Leigh-on-Sea, Essex, based on Allam's 7.5 KVA and 10 KVA generating sets.

Complete conversion can be carried out in one working day following a previous appointment. It calls for the positioning of a generator in the centre seat

region of the vehicle, and fitting of a pulley driven from the belt via a prop shaft which utilises the existing power take-off flange on the Land Rover gearbox.

The move follows 50 current conversions which have clocked up thousands of hours of successful operation thanks to two separate safety systems giving protection against overload, and earth-leakage through circuit breakers.

Two separate phase output sockets at 110 and two at 240 volts are incorporated in a control panel fitted with a voltmeter, ammeter, frequency meter, a special "hours of run" meter; and other voltage specifications are available including three-phase.

Transpower, 15 Stephenson Road, Leigh-on-Sea, Essex. 0702 523313.

ELECTRONICS

Capacitance meter for inspectors

DESIGNED for fast three-dimensional inspection of components within the electronic industries is the digital capacitance meter produced by GenRad of Boston, Mass. (06258 29611).

Equipped with a built-in initiation, the instrument has a high and low level alarm providing failure analysis, as automatic control and acceptance.

Values from 0.01 pF to 100 nF can be measured with test frequencies of 1 to 1 MHz. Test voltages are adjustable and bias can be internally or externally measurement takes place at 250 millivolts or basic accuracy of the unit per cent.

Helps man on the beach

DELTA Data Systems supply 150 video terminals the Home Office for use in Police National Computer System.

The network—controlled by a Burroughs 670 computer and already has 300 terminals connected—provides a nationwide country with quick access to data on road vehicles, road vehicles, and a facility. In the future it will provide identification in action on criminals, as wanted by the police, on persons and other police data.

Terminals supplied will be newly developed model tailored for common system use.

The company expects applications in massive data communication work, order entry, inventory control and data retrieval from 193 Great Portland London N1 5PN (01-550 76

Robseal SEAL ROOFS

Roof maintenance or emergency repair.

Robseal can fix it fast and guarantee it for 5 years. Established 15 years.

Robseal Ltd, Exmouth Ave., Earley, Reading, Berks. Tel: 0734 66122. Also in Birmingham, Manchester, Bristol, Newcastle, Bedford (Sandy).

CONTRACTS AND TENDERS

INVITATION TO TENDER

THE POSTS AND TELECOMMUNICATIONS CORPORATION OF THE REPUBLIC OF GHANA invites Tenderers, who will be limited to nationals of member countries of International Bank for Reconstruction and Development (IBRD) and Switzerland only, for

NATIONAL TELECOMMUNICATIONS EXPANSION PROJECT

The project comprises the following four sub-projects:

Sub-project A: Installation on turn-key basis of new automatic telephone exchanges which comprise one trunk exchange with manual switchboards, four local exchanges equipped with 16,000 lines in total in multi-exchange areas, 5 rural exchanges equipped with 1,500 lines in total together with manual switchboards, and power equipment including standby engine generators.

Sub-project B: Installation on turn-key basis of one new telex exchange equipped with 50 lines.

Sub-project C: Installation on turn-key basis of two new microwave radio links and two new UHF radio links which comprise 10 microwave radio stations, 7 UHF radio stations, carrier terminal equipped with 860 channels and aerial facilities required.

Sub-project D: Procurement of external plant materials.

Item A: 729 Km of various underground cables and terminating cables, 118 sets of cross connecting cabinets, 1,810 sets of steel poles with distributing points, 1,685 Km of drop wire and other materials.

Item B: 8 sets of gas pressurization facilities.

Item C: 7,245 sets of cable chambers covers, 4,750 pieces of steel pipe (100/50 mm, 6m), and various hardware for cable chamber.

Item D: 250 Km of internal wire.

Item E: 152,000 pieces of rigid PVC pipe (100/75 mm, 6 m).

Item F: 170 sets of teleprinter.

Item G: 11,000 sets of telephone instruments.

Prospective tenderers may obtain copies of the specifications against payment of two hundred U.S. dollars (\$200), per complete copy, daily between 09.00 hrs and 16.00 hrs GMT from 8th July 1976 to 30th July 1976 at the address given below.

For Ghanaian tenderers, only, the charge per complete copy shall be two hundred and thirty Cedis (C230).

WORLD BANK PROJECT OFFICE (ROOM 312 3rd FLOOR)
THE POSTS AND TELECOMMUNICATIONS CORPORATION BUILDING
ACCRA NORTH, ACCRA, GHANA

The closing date of submission of tenders will be at 10.00 a.m. Ghana time on 1st November 1976.

DIRECTOR GENERAL
THE POSTS AND TELECOMMUNICATIONS CORPORATION OF THE REPUBLIC OF GHANA

ELECTRICITY SUPPLY COMMISSION OF MALAWI INTERNATIONAL DEVELOPMENT ASSOCIATION CREDIT AND COMMONWEALTH DEVELOPMENT CORPORATION AND AFRICAN DEVELOPMENT BANK LOANS

Invitation to register as Potential Contractors for the NKULA FALLS 'B' HYDRO ELECTRIC PROJECT

Application has been made by the Malawi Government for a credit or loans from the above and other possible lenders for the construction of Phase I of the NKULA FALLS 'B' HYDRO-ELECTRIC PROJECT.

Phase I consists of a 36 MW development at a site on the Shire River near Blantyre. The ultimate capacity of the project is 90 MW and most of the civil engineering works will be sized for the ultimate capacity. Under Phase I 2 No. vertical shaft Francis type water turbines rated at 24,100 HP at a design head of 50.9 m and 2 No. waterwheel alternator units rated at 18 MW will be installed.

The civil engineering works will comprise a barrage incorporating 4 No. radial spillway gates and a gated and screened intake structure, a lined headrace tunnel, a surge chamber, a pen-stock tunnel with steel lining and the power station sub and super structures. Associated civil engineering works will include access roads, cofferdams, ancillary buildings and switchyard.

In addition to the 2 No. turbines and alternators the following electrical and mechanical plant will be supplied, delivered, installed, commissioned and maintained:

1 No. electric overhead crane.
Turbine and alternator ancillary and control equipment.

5 No. main inlet valves, two with operating mechanisms and three blanked off.

2 No. 11/66kV 20MVA generator transformers.

3 No. 66/132kV 25 MVA system transformers.

Station and unit transformers, associated switching equipment, control and relay equipment and station batteries.

Cabling and lighting.

Consulting Engineers for the Project are Messrs. Watermeyer, Legge, Piesold & Uhlmann in association with Kennedy & Donkin (Africa), and Civil Engineering Contractors and Plant Manufacturers interested in receiving Enquiry Documents pertaining to the Project should register their interest with the United Kingdom representatives of the Commission's Consulting Engineers:

Civil Engineering Works—
WATERMEYER, LEGGE, PIESOLD & UHLMANN
35/41, Station Road, Ashford, Kent TN23 1PP

Electrical/Mechanical Plant—
KENNEDY & DONKIN
Premier House, Woking, Surrey GU21 1DG.

Applications should be received not later than 31st July, 1976.

CONTRACTS & TENDERS

Appear every MONDAY

For further information contact:

ROSEMARY ANDREWS
01-248 8000 Ext. 465

SYRIAN STORING & DISTRIBUTING CO. PETROLEUM PRODUCTS "SADCO"

Advertisements for offers of

100,000 L.P.G. cylinders capacity 12.5 kg within the following conditions:

1) Submission of Offer.

2) Offer must be delivered to the Registrar of Companies—Oil Ministry Bldg., 7-A, Adnan Al-Khatib Floor 5—Room 511.

3) Cautions of Charges.

4) Cautions of Charges.

5) The Bid's Price.

6) Deposit.

7) Final Guarantee.

8) The guarantee to be confirmed by Syrian Commercial Bank or Visa approved cheque.

9) Offers are considered to be valid for 45 days.

10) At 2% of Two per thousand of the total value of contract for each day of delay.

11) Delay for Submission of Offers.

12) Offers will be opened on Saturday 14th Aug. 1976.

13) Opening of Offers.

14) Offers will be opened on Sunday 15th/16th, 10.00 hours.

15) Delivery period.

16) Financial Offers must be submitted in closed envelopes. Technical offers in another closed envelope and both envelopes must be put in another envelope.

17) Any offer not abiding by any of the above mentioned conditions will be disregarded.

General Manager
MORAD NADIM BADLER

MINISTRY OF ELECTRICITY

24/8/1976

CALL 24/8/1976

EXTENSION FOR SUBMISSION

Further to call for tenders No. 486

and 231/76 concerning the supply of 100,000 L.P.G. cylinders capacity 12.5 kg within the following conditions:

At the request of the Ministry of Electricity, the tendering process has been extended to 10.00 hours on Sunday 14th/15th, 10.00 hours on Sunday 15th/16th, 10.00 hours on Sunday 16th/17th, 10.00 hours on Sunday 17th/18th, 10.00 hours on Sunday 18th/19th, 10.00 hours on Sunday 19th/20th, 10.00 hours on Sunday 20th/21st, 10.00 hours on Sunday 21st/22nd, 10.00 hours on Sunday 22nd/23rd, 10.00 hours on Sunday 23rd/24th, 10.00 hours on Sunday 24th/25th, 10.00 hours on Sunday 25th/26th, 10.00 hours on Sunday 26th/27th, 10.00 hours on Sunday 27th/28th, 10.00 hours on Sunday 28th/29th, 10.00 hours on Sunday 29th/30th, 10.00 hours on Sunday 30th/31st, 10.00 hours on Sunday 31st/1st, 10.00 hours on Sunday 1st/2nd, 10.00 hours on Sunday 2nd/3rd, 10.00 hours on Sunday 3rd/4th, 10.00 hours on Sunday 4th/5th, 10.00 hours on Sunday 5th/6th, 10.00 hours on Sunday 6th/7th, 10.00 hours on Sunday 7th/8th, 10.00 hours on Sunday 8th/9th, 10.00 hours on Sunday 9th/10th, 10.00 hours on Sunday 10th/11th, 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Building and Civil Engineering

15m. pipeline in Scotland

RX IS to start soon on a 12 mile long pipeline in north-east Scotland for the British Gas Corporation. It is understood that Cementation Construction is undertaking the task in a joint venture with the French engineering organisation C.A.P.A.G. at Chirk (£170,000) and external works at the Angley marine oil terminal (£80,000).

The remaining awards are for a Post Office telephone engineering centre at Bangor (£422,000), an office and laboratory extension for Geigy Pharmaceuticals in Wilmshurst (£300,000), a raw materials building for Cadbury at Chirk (£170,000) and external works at the Angley marine oil terminal (£80,000).

Relief of Margate

PRECAST concrete tunnel linings are to be supplied by Cherson Pipes and Tunnels for stage one of the Margate relief sewer scheme for Thanet District Council.

The £200,000 order was placed by Delta Construction Company, which is building the tunnel for the main contractor Bowell of Deal, Kent. About 3,000 metres of the linings are required with internal diameters ranging from 4 feet to 7 feet.

Power on the site

PLANT HIRE and construction companies are being wooed by Dale Electric of Great Britain which has just launched a new range of electrical power generating sets.

There are several models offering 185 kVA to 237 kVA and all driven by Cummins 855 diesel engines. The company says they can all be operated by people who know little about this type of equipment.

Cold store in Egypt

AT THE end of this month Gleeson (Construction) will be shipping an 800,000 cubic foot frozen food store to Egypt.

The whole installation is being prefabricated in the U.K. and will be assembled at the company's Scarborough, Yorks, works. It will then be "knocked down" and despatched to Cairo. Gleeson will re-erect the plant for Mir Import and Export Company on a site just outside Cairo where it will be used to store meat, fish and poultry.

Houses and flats in London

COSTAIN Construction has won a £4.8m. contract to build 318 homes on behalf of Sellick Nicholls Williams for the London Borough of Lambeth at Myatts Fields South.

The two- and three-storey houses and one- and two-storey flats will be of timber frame construction.

Jarvis busy in London

EXTENSION and modernisation of London office buildings and a hospital have brought contracts worth over £2m to J. Jarvis. A seven-storey block

at 161-189 City Road, E.C.1, owned by the Legal and General Assurance Society is being extended, while a listed Dutch baroque office building, at Austin Friars, E.C.2, is being modernised for Central Land Investments (architects Thomas Saunders and Associates).

The other jobs are at Plough Place, E.C.4, for the Abbey Property Fund, (architects Stroud Nulvis and Partners), at St. George's Hospital, Tooting, S.W.17 (architect Day and England) and at the Essex Water Company at Romford, Essex (architect Gerald Shennstone and Partners).

Work rolls in for Marshall

FIVE contracts in Yorkshire and Lancashire, totalling over £3m, have been won by Marshall Construction Group.

Two of the projects are at Walton Summit near Preston: a cash and carry wholesale supermarket for Batleys and 13 nursery factory units for Central

Lancashire Development Corporation.

Other jobs include offices, laboratory, warehouse and loading bay at Clayton, Manchester, for Manchem, a retail store for Norwest Co-op at Denton and a beer and lager packaging warehouse for Samuel Smiths Old Brewery at Tadcaster.

Coping with cars in Kuwait

THE Municipality of Kuwait has appointed White, Young and Partners Qatar as consulting engineers to study traffic movement and parking facilities around its expanding departmental offices, and also to design a multi-storey car park and office block.

The car park will probably accommodate 450 vehicles in three storeys and will be situated immediately behind and connected to the main municipal building by means of walkways. Both study and design work should be completed by the end of this year.

£4½m. road project

A. F. BUDGE Contractors has been awarded a £4½m. road job. The contract involves construction of 2.1 km. of 3-lane motorway running from the east bank of the River Trent and about 4.1 km. of the 2-lane M181 to its junction with the A18 at the new Frodingham Grange roundabout. Three bridges will be needed.

East London flats

A. E. SYMES has begun work in Stratford on phase II of the East of London Housing Association's Mark Street scheme.

Valued at £1.1m. and scheduled for completion in October 1977, this second phase involves the construction of 106 one-person homes in three medium-rise blocks plus a ten-storey tower unit.

North Sea oil power station

BP, on behalf of all member companies of the Ninian and Brent Pipeline Groups, has awarded a contract to Tarmac for civil engineering works associated with a 100 MW power station at the Sullom Voe Terminal. Work is expected to start in July/August, 1976.

The initial value of the contract is approximately £3m.

More bridge work

CEMENTATION (Africa Contracts) Pty. has just won the third in a series of contracts to bridge the recently widened railway leading to Durban's new station complex.

The company which is already building an eight span bridge linking Russell and Alice Streets and lengthening Grey Street bridge, is now to build a complex of three bridges across the lines at Soldiers Way. Total work will take about two years to complete.

More water from Wales

THE LOWER Lliw reservoir in the River Towy scheme is to be built by Shepherd, Hill for the Welsh National Development Authority (Glamorgan Water Division) under a £2.2m. contract just announced.

Work began at the start of the month and requires the demolition of the existing dam, provision of a grout curtain and the construction of a new clay core earth fill and rockfill dam. The company will also build an overflow and inlet works, draw-

off tunnel and a new reinforced concrete pumping station. Pipework (1680 and 1400 mm), roadworks and various ancillaries complete the contract which is due for completion in 24 years. Consulting engineers are Binnie and Partners.

Homes in Birmingham

GEORGE WIMPEY has won a contract worth more than £2.2m. for the construction of 249 dwellings for the City of Birmingham.

The development, at Frankley, capable of housing 970 people is to be constructed predominantly in the no-fines technique, the remainder being of traditional construction.

The 193 no-fines two-storey houses will comprise 74 two-bedroom four-person units, 107 three-bedroom four/five-person units and 12 four-bedroom six/seven-person units. There are, additionally, 26 one-bedroom two-person flats in the same construction.

The traditional dwellings will consist of 26 one-bedroom two-person bungalows and four one-bedroom two-person flats.

Itinerant caravan site

TWO CONTRACTS valued at more than £21,000 have been awarded to Mowlem by the London Borough of Hounslow.

The first, valued at £17,000 is for the construction of an itinerant caravan dwellers' site at Church Road, Cranford, Middlesex.

The second contract is for the construction of a roundabout at the existing junction of Beacon Road and Stanwell Road, Heathrow Airport. Valued at £4,000, the contract will also include the construction of a spur road to the new animal quarantine station at the airport.

Big market centre for Midlands

HYPERMARKET work worth £3m. has been awarded to John Laing Construction's Midlands Region by Hypermarket (Holdings) for a centre at Walsley Ash Road, Minworth.

It will be 630 feet by 230 feet and provide 148,000 square feet of shop space of which just under half will be sales area.

The site itself is 17½ acres and there will, of course, be extensive roadworks and parking spaces for 1,300 cars, self-service petrol station, drainage and extensive landscaping.

"The intention is to accelerate construction as much as possible with phased completions to start in late January, 1977, and overall completion for April. Pad foundations, structural

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steel cladding and plastic-covered aluminium cladding and pre-cast concrete mezzanine flooring are to be part of the architectural scene.

Triad Architects Planners are responsible for the design.

The centre is expected to serve an immediate population of some 2m. in the Birmingham area. There will be the traditional dairy, butchery, fish, fruit and vegetable departments but also a delicatessen and a tyre fitting bay.

Hypermarket, trading as Carrefour, already has three such complexes—at Telford, Basleigh and Caerphilly.

Tynesiders get more dwellings

FOR A total contract figure of £3.5m., Shepherd Construction is to erect 281 dwellings on Tyneside in the Byker Redevelopment.

under two separate schemes, bringing the total of housing units under construction or completed by the company under the project to 764.

The latest contracts envisage 122 dwellings at Bolam Street for over £1.5m. and a further 159 at Chilton Street for over £1.76m. Both are to be connected to the Byker district heating network.

Architects for the development are Ralph Erskine.

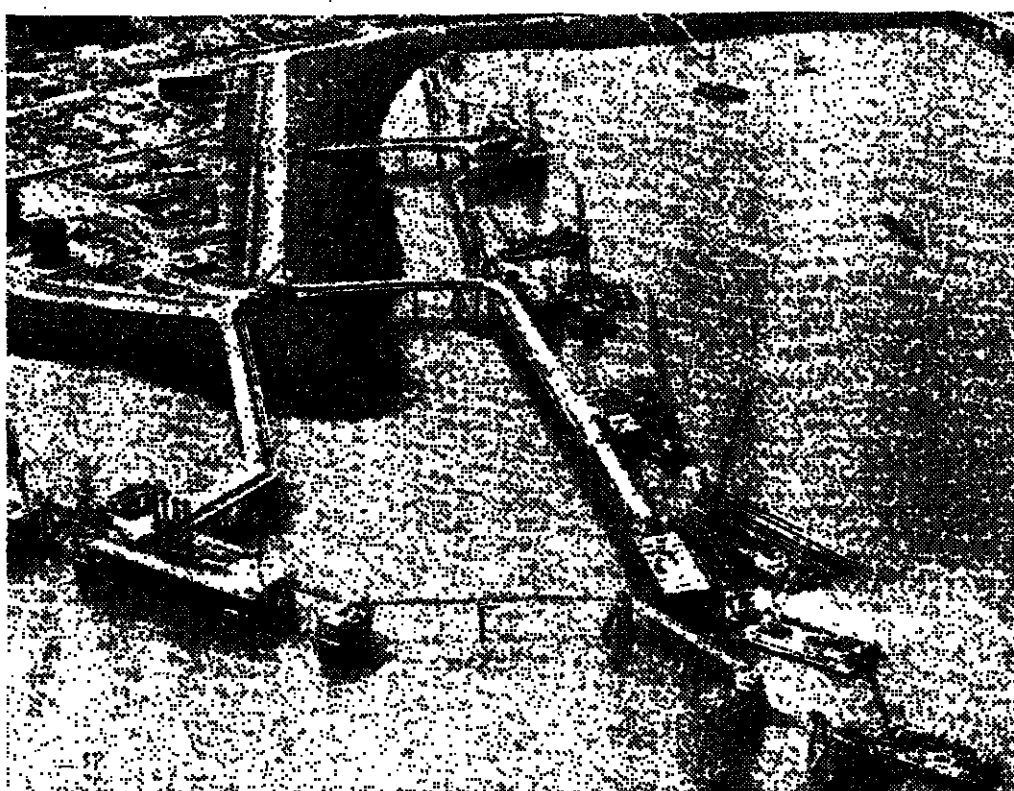
Wallis gets work worth over £1.6m.

FOUR contracts valued altogether at over £1.6m. have been awarded to G. E. Wallis.

For the Rochester Diocesan Board of Education the company is to extend at a cost of £585,000 the St. George's Church of England secondary school in Wrotham Road, Gravesend, Kent.

Another job, worth £484,000, is for underpinning the north and east walls of All Saints Church, London, W.11, demolishing some buildings and constructing a vicarage, church centre and basement garage.

In Farrington Road, London E.C.1, the company is to make alterations to a building for the Church Commissioners of England at a cost of £427,000 while not far away, at the Barbican, a three-storey office extension is to be constructed at the Worshipful Company of Ironmongers Hall.



Improved facilities for unloading oil tankers on the River Tees will be available when these facilities are completed shortly. The Cleveland Bridge and Engineering Company fabricated £2½m. worth of structural steel

for this project for which the main contractor is Kier. The work is being carried out for Phillips Petroleum. Consulting Engineers are Parsons, Brown and Partners.

Six awards to Pochin

SIX contracts awarded to Pochin, two are for schools in the north-west and worth around £60,000.

Telford put out several big jobs

LEADER in the list of awards just announced by Telford Development Corporation is G. W. Deeley of Stourbridge with a housing contract worth over £2m. It involves the construction of 205 rented dwellings at Leegomery, first major development in the town's northern area. First of the homes is due for occupation in April next year.

Meanwhile a second contract is out to tender for a comparable sum. It is expected to cover construction of 191 dwellings on the same general site. This is scheduled for an August 1976 start.

For the same principals, work is in progress on a major sewerage scheme to permit a start to be made on Telford's third and final industrial area. This £472,000 contract is in the hands of Sir Alfred McAlpine and should be finished in January 1977.

Tarmac is to begin work this month on a £338,000 storm water scheme for the northern half of the town. The Crow scheme, as it is known, should be ready by May next year.

IN BRIEF

● A £135,018 design-and-build contract for the first phase of advance factory units at St. Helens, Lancs., has been awarded to Mears Construction.

● A £182,784 contract for the erection of a major 'a' level car, police and fire station at Harnham Road, Wimborne, Dorset, has been awarded to James Drewitt and Son by Dorset County Council.

● Gunite Swinpoole, a member of the Cement Gun Group, has been awarded a £27,000 contract for the construction of two pools at the Suncentre at Rhyl, which is being built for Rhuddlan Borough Council by the Fram Gerrard division of Fairclough.

● W. J. Simms Sons and Cooke have been awarded a £468,000 contract by Westminster City Council for the conversion of seven old properties two flats at Westbourne Gardens, Paddington, London.

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Modern Used Rolling Mills, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillotines, etc.	P.O.A.	021-556 0904 Telex 336414
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1971 Fully Automatic High Precision Circular Saw by Rhobi with batch control. Max. capacity 60 mm bar-70 mm profiles and tube.	P.O.A.	021-556 0904 Telex 336414
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Caterpillar 964C Wheel Loader, with 3 cu yd. bucket and new tyres.	£25,500	094-34 4531 Telex 51187
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WATER SHORTAGE

Industry calm despite continued drought worry

BY KEVIN DONNE AND DONALD MACLEAN

THE WATER SHORTAGE which threatens to strike with particular force in certain areas such as Anglia, Wessex, South Yorkshire, and South-East Wales, is being treated calmly by industry in general.

Although the Government has announced legislation to strengthen its legislative powers, emergency measures may be unnecessary.

The Department of Industry said at the week-end that no appeal had been received at central level from any section of industry to the effect that they were suffering from water shortage.

While many areas face no particular problems, there are pockets of the country which are outstandingly vulnerable. In the last night, the supply situation had not been such as to bring standpipes into operation, or to provoke restrictions on industry.

In the brewing industry, for instance, where bottled beer is at greater risk than draught beer supplies, should the situation worsen there is relative calm. This is because brewers reckon on a relatively high priority rating in the event of emergency measures, and because many of them have independent water supplies and are in some cases standing by to assist the public supply.

The National Coal Board said that it intends to produce more water than it used, not only recycling it, but discharging it into rivers or selling it to water authorities.

Figures for 1970, indicate that its water supply from direct— as opposed to publicly supplied— sources.

However, the prospect of average rainfall being achieved this summer has faded with the recent weather.

In Somerset, part of the badly hit Wessex region, water authority stock is about 50 per cent of capacity, or about what it would be expected to be at the end of August.

Conservation

Publicity given to the water shortage has meant in the case of Wessex, a reduction in consumption of up to 20 per cent.

In recent weeks, against the summer period, from some of the other regions too, reports that there has been a good response to appeals for conservation.

Most water authorities in the worst hit areas of England are pleased with the performance of industry.

In the Peterborough division of the hard-hit Anglian area, industrial users achieved a maximum saving in May of 24.6 per cent, over the same period last year.

Such savings are no longer being achieved in the Lincoln Stapleford area, and Peterborough areas because of peak demand from some of the food processing factories.

The hot spell has meant that the pea harvesting season will be shorter than usual, bringing extra pressure on water authorities.

In the Lincoln division extra boreholes have been sunk into the limestone formation to provide additional water sources. Only one small area at Lenton has failed to find two or three on reduced abstraction.

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If supplies do reach emergency levels the effects on industry will be cushioned as domestic supplies will be the first to be restricted.

In Northampton, which has been particularly badly hit by the drought and where vines are only at 30 per cent full capacity, the usual consumption of the Carlisle brewery was taking all its supply from the water authority now re-opened an old well.

A seriously hit area of population is probably Leicestershire, where the water authority reservoirs are only at 43 per cent of full capacity. The industrial consumer in the Leicestershire area is the Central Electricity Generating Board, which is rationing its output to assist the public supply.

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LABOUR NEWS

Jack Jones seeks move towards 35-hour week

BY ALAN PIKE, LABOUR STAFF

A 35-HOUR WEEK throughout industry must be the focal point of policies to ensure full employment, Mr. Jack Jones, general secretary of the Transport and General Workers' Union, tells his members to-day.

Reduced working hours have traditionally been treated by many trade unionists as a long-term aspiration with a lower priority than immediate pay and conditions. But it is clear that Mr. Jones, who has been highly influential in shaping the thinking of the Government and TUC, is now seeing this as an important element of future talks on pay policy.

The European TUC recently adopted the policy of the 35-hour week after an initiative from the TGWU and Mr. Jones' union successfully pressed a similar motion at the Confederation of Shipbuilding and Engineering Unions conference last month.

Mr. Jones, writing on the subject in this month's edition of the union journal, says that as increased production creates a need for more workers, the trade unions must demonstrate their duty to the unemployed and the 35-hour-week will then become the focal point.

Technological change meant that higher levels of capital investment would not create the same number of jobs as in the past and "structural action" would have to be taken to restore the kind of full employment which the early post-war world achieved. Without such action, Britain could have a booming economy in two years, while suffering a large unemployment problem.

"It would be folly not to think ahead about the damage that persistent technological structural unemployment would do to industrial relations," he says.

"This is why talks have to start this year, as part and parcel of negotiations on the current pay policy, both about stimulating productive efficiency and also about planning to reduce working hours to give everyone a chance of a stable job."

To think that big wage advances in a year or two would create spending power which would soak up unemployment, would be to "ignore every hard lesson we have had to learn in the past two years."

Under the agreement, which the Post Office Corporation was formed in October 1969, all new Post Office employees will have to seek to be treated as religious objectors or apply to join the union within a week.

An applicant who is refused union membership, or an existing member expelled by the union, will have the right of appeal to an independent review body. This will consist of a chairman appointed in consultation with the industry, Conciliation and Arbitration Service and two non-voting assessors. Its decision will be binding on the Post Office and union.

Post Office employees doing jobs outside the union's recruitment areas who transfer to a union grade will be excluded from the requirement to join the union, although the corporation has agreed that it will encourage them to apply for membership.

When the closed shop arrangements come into force Ford will introduce a voluntary system under which employees will be able to have union subscriptions stopped from pay if they wish.

From to-day all employees joining the Post Office in grades presented by the Union of Post Office Workers, which includes postmen, telephonists and many smaller groups of staff, will have to join the union. The agreement will not apply to employees who are not union members.

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Voting in UCATT pay poll closes

By Our Labour Staff

VOTING BY members of the 278,000-strong Union of Construction, Allied Trades and Technicians on whether to support the second phase of pay policy closed at the week-end with moderate optimism that the result will be in favour.

Under the union's rules branches have seven days after the close of poll to submit ballot papers and counting will not begin for a week. Despite this, reports from branches suggest that there will be a clear majority in support of the pay policy.

The policy was rejected by delegates to the UCATT conference last month despite appeals from the executive and a speech by Mr. Len Murray, TUC general secretary, in his last public appearance before suffering a heart attack.

However, the executive then insisted on halting the membership on the issue and as a result UCATT took no part in the voting at the special TUC congress which gave overwhelming support to the pay policy.

If the ballot gives convincing support for the policy it will revive controversy inside UCATT over how representative of other regions too, reports that there has been a good response to appeals for conservation.

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Closed shop for Ford manual men

By Our Labour Staff

A CLOSED shop agreement requiring all 50,000 manual workers in Ford motor factories to hold union cards will come into force next month.

The agreement is being ratified by executives of the 12 unions involved. Non-union members who refuse to join run the risk of losing their jobs, as some employees did when Vauxhall introduced a similar agreement recently.

However, union organisation at Ford is strong and there are few non-members.

When the closed shop arrangements come into force Ford will introduce a voluntary system under which employees will be able to have union subscriptions stopped from pay if they wish.

From to-day all employees joining the Post Office in grades presented by the Union of Post Office Workers, which includes postmen, telephonists and many smaller groups of staff, will have to join the union. The agreement will not apply to employees who are not union members.

Mr. Jones' union successfully pressed a similar motion at the Confederation of Shipbuilding and Engineering Unions conference last month.

Mr. Jones, writing on the subject in this month's edition of the union journal, says that as increased production creates a need for more workers, the trade unions must demonstrate their duty to the unemployed and the 35-hour-week will then become the focal point.

Technological change meant that higher levels of capital investment would not create the same number of jobs as in the past and "structural action" would have to be taken to restore the kind of full employment which the early post-war world achieved. Without such action, Britain could have a booming economy in two years, while suffering a large unemployment problem.

"It would be folly not to think ahead about the damage that persistent technological structural unemployment would do to industrial relations," he says.

"This is why talks have to start this year, as part and parcel of negotiations on the current pay policy, both about stimulating productive efficiency and also about planning to reduce working hours to give everyone a chance of a stable job."

To think that big wage advances in a year or two would create spending power which would soak up unemployment, would be to "ignore every hard lesson we have had to learn in the past two years."

Under the agreement, which the Post Office Corporation was formed in October 1969, all new Post Office employees will have to seek to be treated as religious objectors or apply to join the union within a week.

An applicant who is refused union membership, or an existing member expelled by the union, will have the right of appeal to an independent review body. This will consist of a chairman appointed in consultation with the industry, Conciliation and Arbitration Service and two non-voting assessors. Its decision will be binding on the Post Office and union.

Post Office employees doing jobs outside the union's recruitment areas who transfer to a union grade will be excluded from the requirement to join the union, although the corporation has agreed that it will encourage them to apply for membership.

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Junior hospital doctors meeting Ennals to-day

By Our Labour

EDITED BY JOHN ELLIOTT

Re-trained, but for what purpose?

BY NICHOLAS LESLIE

Meanwhile, plans for the 1976-77 programme have already been prepared and the places filled. And, once again, many of the candidates will be having their fees met with TOPS grants.

SALES BY AUCTION

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Insurance
with
profession.
R & negot.
to appoint
Dealer/Broker
he sought and
Fr. deposits
An attractive
fringe benefits
to £3,500
Experienced Doc-
tor should hold
a diploma to be con-
tinuous and
4 negotiation
credits would
maintaining will be

PUBLIC AUCTION
to be held on 6th JULY,
at GRANVILLE DOCK.

WESTERN DECKS, DOVER
 of about 1,000 tonnes in
 convenient sized lots,
 S/L Description
CYPRUS SPRING CROP
POTATOES (size 35 mm U.P.)
 in new jute bags,
 Net weight 25 kilos per bag.
 AS SEEN
 Particulars and permission to
 view from:—
HOBBES PARKER
 (Mr. H. G. L. Parker, 10, Victoria Road, Dover, Kent, U.K.)

COMPANY NOTICES

VILLAGE DE NANCY

8% 1971-1986 Loan in European Units of Account

We inform bondholders of the above loan that the amount of UA 650,000 redeemable on September 15, 1976, was bought into the market.

Amount outstanding: UA 6.750,000.

Luxembourg, July 5, 1976.

**Fiscal Agent
KREDITBANK
S.A. Luxembourg-Grise**

**TANGANYIKA CONCESSIONS
LIMITED**

**NOTICE TO HOLDERS OF ORDINARY
STOCK**

NOTICE IS HEREBY GIVEN that a second Interest Dividend No. 58 at the rate of 1c per 500 units of Ordinary Stock for the year ended 31st December, 1975, will be paid on or after 23rd July, 1976 to the registered holders of the Stock.

DRAWING

At drawings in June, 1976, in the presence of a Notary Public in Stockholm: Deposit Certificates in respect of Bonds

**THE GERMAN REICH 4%
FORMERLY 6.5%
EXTERNAL LOAN OF 1935**

redeemable on 15th June, 1976 totalling US \$552.40 were drawn after redemption at 100%.

Lists of certificates drawn can be obtained from the Registrar.

PUBLIC NOTICE

[illegible]

The certificates are payable on the condition given in the certificates as from the 15th July, 1976 at any of the offices of Skandinaviska Enskilda Banken and Sotabanken as well as at the offices of the other Paying Agents.

No interest will be paid as from 15th

Certificates presented for redemption shall be accompanied by the interest coupons which have been due and paid as well as by the talons. Otherwise, if amount of interest coupons will be withheld.

Certificates which have been presented to receive on its redemption the value of the interest coupons may be returned to the holder, or may be returned to the certificate to receive. "Sinking fund" when accrued.

Any of the above certificates held on behalf of residents in the United Kingdom may be presented for redemption at the following places:—
1. Messrs. J. & S. M. Sainsbury, Ltd., 1, Abchurch Lane, London, E.C. 4.
2. Messrs. J. & S. M. Sainsbury, Ltd., 1, Abchurch Lane, London, E.C. 4.
3. Messrs. J. & S. M. Sainsbury, Ltd., 1, Abchurch Lane, London, E.C. 4.
4. Messrs. J. & S. M. Sainsbury, Ltd., 1, Abchurch Lane, London, E.C. 4.

Certificates cannot be presented through the post.

BISHOPSGATE PLATINUM LIMITED AND ITS SUBSIDIARY COMPANY
(Incorporated in the Republic of South Africa)
COMPANY ANNOUNCEMENT

With the approval of The Registrar of Companies your Company and its Subsidiary Company have agreed to pay financial year ending to the 31st August, 1936, a dividend of 10%.

The reason behind this change in year ends is to enable the final dividend to be brought to account before the year ends and its Subsidiary in the current year.

The dates of quarterly dividend declarations will remain unchanged, viz:—
1. 1st February
2. 1st May
3. 1st August
4. 1st November

For and by the Directors,
Messrs. J. & S. M. Sainsbury, Ltd.,
1, Abchurch Lane, London, E.C. 4.

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MONDAY, JULY 5, 1976

As the Royal Show opens John Cherrington reports on a mixed year for the farmers.

The farmers enjoy their good fortune

Lessons of Entebbe

THE RESCUE by Israeli commandos of the hostages held in Uganda was an act of major political and military significance. Politically the Israelis are entitled to claim not only that they have been consistent in their refusal to negotiate with terrorists, but also that their tactics have on the whole been successful. They may further argue, again with some justification, that they are the only people in the world ready to contemplate, let alone undertake, an act of such daring. One has only to compare, for example, the Israeli mission with the American rescue of the Mayaguez from the Cambodians last year to see how well the Israelis came out. In the Mayaguez incident the task did not seem unduly difficult, but the casualties were relatively high. Even then, however, the Americans were cockahoop that they had brought it off. There must be an even greater self-confidence in Israel to-day that a much harder task has been performed with the casualties kept to a minimum. This new confidence alone must count as a new factor in Israeli attitudes to the outside world.

Reality

The most striking development in the Middle East in the past few months indeed has been the way the attempts to achieve a negotiated settlement of the Arab's problems have been virtually dropped. In the short term, this may represent a victory for those Israelis who have argued that the Arabs would never remain united long enough to pose an insuperable threat. Such a view has been reinforced by the spectacle of the Syrians turning on the Palestinians in the Lebanon. Yet it remains at best of short term validity. The problem of the Middle East is ultimately the problem of the Palestinians who have no home. It will not go away simply because the Arabs have fallen out or because the Israelis are capable of feats of spectacular daring. It will begin to be solved only when the moderate Palestinian leaders are offered the hope of a negotiated settlement. The rescue at Entebbe will turn into a tragedy rather than a triumph if the result is further to encourage the Israelis to ignore that reality.

Admission

There was also a triumph of diplomacy. It appears that the rescue was performed with the consent of the Government of Kenya. It is well known that relations between Kenya and Uganda are not good, but almost every other outside power would have refrained from seeking to involve the Kenyans, however indirectly, in an act of intervention.

Militarily the rescue is a reminder that intervention by force of arms can work at a time when it had become fashionable to think that force is counterproductive. The lesson will not be lost on the Israelis who will no doubt be ready to do it again with even greater daring if the need arises. But it will presumably not be lost either on Western public opinion which will be tempted to quote the Israeli example if ever the attitude of

THE ROYAL SHOW opening at Stoneleigh to-day marks the end of an extraordinary 12 months in British farming. At this time last year hardly a sector was not complaining. Milk producers, after a difficult winter and a late spring, were angry because returns were not meeting costs. The prices of all livestock, from calves to adult cattle, were beneath the costs of production. There had been a very poor spring sowing season following the wet autumn of 1974, and harvest prospects were extremely poor as the crops were beginning to be severely affected by the drought which has endured in the south of England more or less severely until now. Only the North of England and Scotland had had what could be called a normal season.

The harvest was indeed a poor one, down about 2m. tons, or 15 per cent. at the very least, but that was compensated for by a first marked increase of prices from the very low levels of the spring of 1975, when—as the result of some masterly market operations by the big international grain and oil shippers—the British price was a very easy one, and every farmer who wished could sell at a good price the straw which he usually burns.

Reduced yield

Both sugar beet and potato crops were well down because of the drought. But while beet growers did not get great joy from their harvest, potato growers—and many beet growers farm them as well—found that their reduced yields were far more than adequately compensated by increased market prices. As against a guaranteed price of £28 per ton, the market soon reached £100 and at one time even £200. Many growers felt that at last they had reached a golden age. Because the costs of both grain and potato growing have not yet caught up with inflation, many farmers have perhaps an exaggerated impression of their prosperity. Sensibly most have used their higher returns to advantage by re-equipping their mechanical equipment with the help of the 100 per cent. write-off concession against current profits. It must be said, however, that in many cases, particularly specialist grain growers, this re-equipment was an absolute necessity because the 1960s had mostly been a difficult time.

But the most important change came in the livestock sector. Suddenly in the early autumn the anguished cries of the dairy farmers changed, not quite to a gurgle of content, but at least to a silence as significant as their previous stridency. The reason is difficult to define but was probably the low price of cereals throughout the summer which led to lower feed prices, enough to gain in September to make good autumn grazing and more important a substantial milk price rise in the same month which meant that production would be profitable during the coming winter. It is worth noting that the ratio between the cost of feed and the price of a gallon of milk became very favourable to the farmer—and this ratio is still favourable, not only here but on the Continent. In Britain it has meant that in spite of last summer's predictions of milk rationing by Christmas, production over the last nine months has been approximately 8 per cent. up on the previous year, and looks like staying that way. Again it has been the same on the Continent.

Livestock farming, for beef and sheep, has also had a good year with excellent prices for young cattle. This is partly because of a reduction in numbers from the very high levels reached in 1974, when the country as a whole was overstocked with growing cattle. It was this overstocking which caused the collapse in prices in 1974-75 when there was not enough feed available to carry the animals through the winter. This situation has been rectified by a decline in numbers, and by the generally higher prices being paid for fat cattle and other livestock.

The rise in fat cattle prices, which began last autumn, meant that farmers who sold them had made large profits on cattle, previously bought in cheaply. This encouraged them to compete for the smaller supply of young cattle in the markets and the effect has been very favourable for stock rears.

Sheep farmers have also benefited from good prices over the last nine months and this spring prices of young sheep reached extreme levels, again, exaggerated impression of their good for the farmer who rears, but not so good for the man who buys to fatten or to breed.

Few farmers realised when they voted "yes" in the referendum just how little their industry would count in that cockpit of European politics, the Council of Agricultural Ministers. The links between the NFU and Whitehall are still there, but Mr. Fred Peart the Minister of Agriculture, no

the market and put into "ventilation" stores in Europe risen from 3 per cent. to plus weekly to 9 per cent. Consumption of dairy ducts is falling, many everywhere and is certain to lead to an in in the intervention stor butter and skimmed powder. A marked British butter consumption, being confidently forecast everyone in the trade.

A major prop to dairy economics is the sale of cull cows. For the 12 months these have been record levels but this has supported in the main very strong export demand the rest of the EEC. The is the case for prime beef on the Continent things are cut all round with large lities being bought for ventation. It is extraordinary the Continental beef may absorb British beef at the while at the same time large quantities of its ov the market.

Consolidating positions

The exports do save Government the odium putting beef into intervention here, but they do under probable falling off of de on the home market. The and Livestock Commission casts a fall of 100,000 to the consumption of beef year. While the exports of and lamb and certain products are hailed as stories, they are causing concern because their basis level of sterling in relation the currencies of other member states. If ever compensatory amounts corrected so that prices really equated, the beef stay in this country, in late tion—if the consumer will pay the price.

There is an obvious de of a permanent or struc surplus of dairy products beef in the Community which British farmers v have a co-responsibility. Henry Plumb, president of NFU, recognised this recent speech when he ad in guarded but unmisal terms against too much esion. Sir Henry was undoubt reflecting the views of farmers who in spite of prosperity of the moment doing very little about ex sion. They are enjoying present good fortune, cor dating their positions pledging no hostages to for or to the Common Agricul Policy.

If the Green pound is de valued together with the ending of the British food subsidies there is a danger that the fall in consumption already being noted in Britain as well as most European countries, particularly of foods based on live stock, could accelerate. There does appear to be a definite consumer resistance to high prices. For instance, since the intervention price for beef in Europe rose on March 15 by 8 per cent, the amount of beef taken off

economists are predicting that unless prices can be raised most herds will soon be producing at a loss.

But apart from pigs, the mid-summer face of British farming looks well. In spite of the drought, which is mainly limited to the southern and eastern counties, most of the crops look very well, far better than at this time last year. Grazing is short in the dry areas too, but unlike last year there are ample supplies of fodder in the country and there is nothing like the desperate search for straw and hay that occurred last year. So with good prices, full barns and the prospect of a harvest at least average size what have farmers to worry about?

Community spirit

There is one simple recent example. The EEC has a notorious mountain of skim milk powder, and in March it was proposed to use up some of it by ordering its use in livestock rations. This has resulted in a substantial rise in costs for all livestock farmers, particularly those with pigs and poultry. Mr. Peart did not like it, but in the end justified his acceptance by claiming that he was acting in a communitaire spirit.

Dairy farmers are also beginning to feel the reality of that spirit through the EEC Com mission's proposal that all dairy farmers should help pay for the disposal of their surpluses by means of a levy or a price reduction. They have been told that this will apply to Britain and they feel particularly aggrieved that they should have to pay for it. This is a misconception, but one that they can be excused as they had for years been told by politicians, and others who should

European politics

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Improvement in the State industries

THERE HAS been so much political controversy about proposed nationalisation measures that the affairs of the existing State sector have not received the political attention due to them. Last week's White Paper on Inflation did, however, contain a few little-noticed remarks about them. It mentioned that the subsidies provided to restrain prices have been more or less phased out, although some subsidies are still to be paid to British Railways and other undertakings for long term reasons of transport policy. The exceptional price increases associated with the ending of the subsidies are now over.

The attempt to use the nationalised industries to suppress inflation did not work the price level. All it did was to put a brake on price increases in 1972-74 at the expense of a sharp acceleration in 1975, which was in any case the year of the most rapid inflation.

Compensation

At least as harmful as the effect on the timing of inflation has been the effect on the finances and morale of the industries themselves. Although payments to these concerns for holding down prices were at one time running at £1bn. per annum, they never really provided full compensation. They merely covered the current cost of the current period of restraint. No compensation was paid for actual profits forfeited, which the industries had to make good by increased borrowing and a permanently higher level of debt servicing. With the return to more normal pricing and the business upturn, the finances of the State sector have improved. Until, however, the state chairman could inflation-adjusted accounts are do worse than use the present published, it will be difficult to be very precise over their profit and loss position. But it is encouraging that the cost of electricity and steel industries and the Post Office are expected to finance internally 50 per cent. of their capital spending, a proportion not previously achieved since the mid-1960s.

The main need now is to restore the morale of those who manage these national concerns.

MEN AND MATTERS

New entrant to the word game

Longman, the educational publishing group, has chosen to-day, July 5, as the nearest it could get to Independence Day to announce that it is to become distributor in the U.K. of the long list of Webster's dictionaries published by the U.S. group G. & C. Merriam.

The announcement is significant in itself since some of the publications have not been freely available in the U.K. in the past. (For example, Longman's American Biographies will now be made available in the U.K. for the first time). But what is more significant is that the link with Merriam is the first tangible result of a five-year programme which the company has undertaken to get itself into the dictionary field. By the end of this year the company will have committed around £350,000 to the project, and over the next three years this figure will rise to a total of something like £1m.

The project also involves links with the French company Larousse, but Longman is by no means restricting itself to marketing other people's products: over the next three years it plans to launch 20 dictionaries of its own—hence the heavy capital expenditure involved. The first of these in-house projects is due to come to fruition sometime in the autumn. This will be the "Longman Modern English Dictionary" which is aiming at the formidable task of competing with the ubiquitous "Concise Oxford Dictionary." Longman is hoping to get something of an edge because its product will contain certain encyclopaedic information as well as exercising the normal definitional function. Costs of the Modern English



but identical, letters informing 5m. people will go to the lava- me of its opening. I don't know whether the Abbey's computer is programmed to take into account the middle-headedness of 200 chemical loos plus an un- of diary editors, but it also sent one to my wife just to be on the safe side.

Doom doom

To celebrate the country's official birthday, New York City yesterday played host to "operation sail," a grand review up the Hudson River of over 200 sailing ships and more than 50 U.S. navy vessels. The pride of place in the armada, which includes the U.S. aircraft carrier Forrestal, went to the 16 "tall ships."

But however spectacular the sight of these ships coming up the Hudson under full sail, many in New York and its neighbouring counties have spent the last few weeks praying for rain over the week-end. Even the most cautious estimates suggested that operation sail and other Fourth of July goodies would attract somewhere between 5m. and 10m. tourists.

Wall Street normally seems crowded enough with its half-million working inhabitants and horror stories about the effects of this invasion have been common. Even if only 3m. turned up, theories went, Downtown Manhattan would see the traffic jam of the century.

While the coast guard prepared an incredibly complicated book of rules for week-end sailors greeting fleet, the U.S. Federal Aviation Administration placed a total ban on all aircraft flyovers. Originally aircraft were to have been allowed under special permit, but when 400 applications from the Press turned up, pls requests from a few student pilots, that did it. There has also been some considerable concern over how

This week's big event in International Finance
The Economist Financial Report

An important announcement for bankers and finance This week, on July 7th, the first issue of The Economist new, private fortnightly briefing on international finance will be published.

Its 8-12 pages will regularly contain material that is to specialist or too speculative to appear in The Economist itself. There will be highly sophisticated analyses of news and developments, presented clearly and factual

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- * The foreign exchange and capital markets, interest rates, gold, with forecasts and special indicators.
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- * The attitudes and moves of the political, regulatory and banking authorities.
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Observer

FINANCIAL TIMES SURVEY

Monday, July 5, 1976

Birmingham

The opening earlier this year of the National Exhibition Centre has served to highlight Birmingham's growing international importance. Although economic problems have led to short term difficulties the city can reasonably expect increasing prosperity.

City adopts wider vision

by Joe Rennison

IF THE typical Brummie is more to life than making money and he might only grudgingly accept an extremely healthy attitude to his money and realise that the money can only be earned in whatever way they can most appropriate after it has been earned—a point that national political masters only beginning to appreciate. That is not to say that the citizens are imbued with any eater social conscience than any other large city. It is simply that their willingness to graft hard for what they want coincides with what is good for the nation. Outsiders may do criticise Brummies the way they spend their money but at least the money could be frustrated on two theurs and no one else's. At the moment, however, their ambitions are being frustrated in a way new to the city. And at the same time there is an increasing consciousness of their new-found

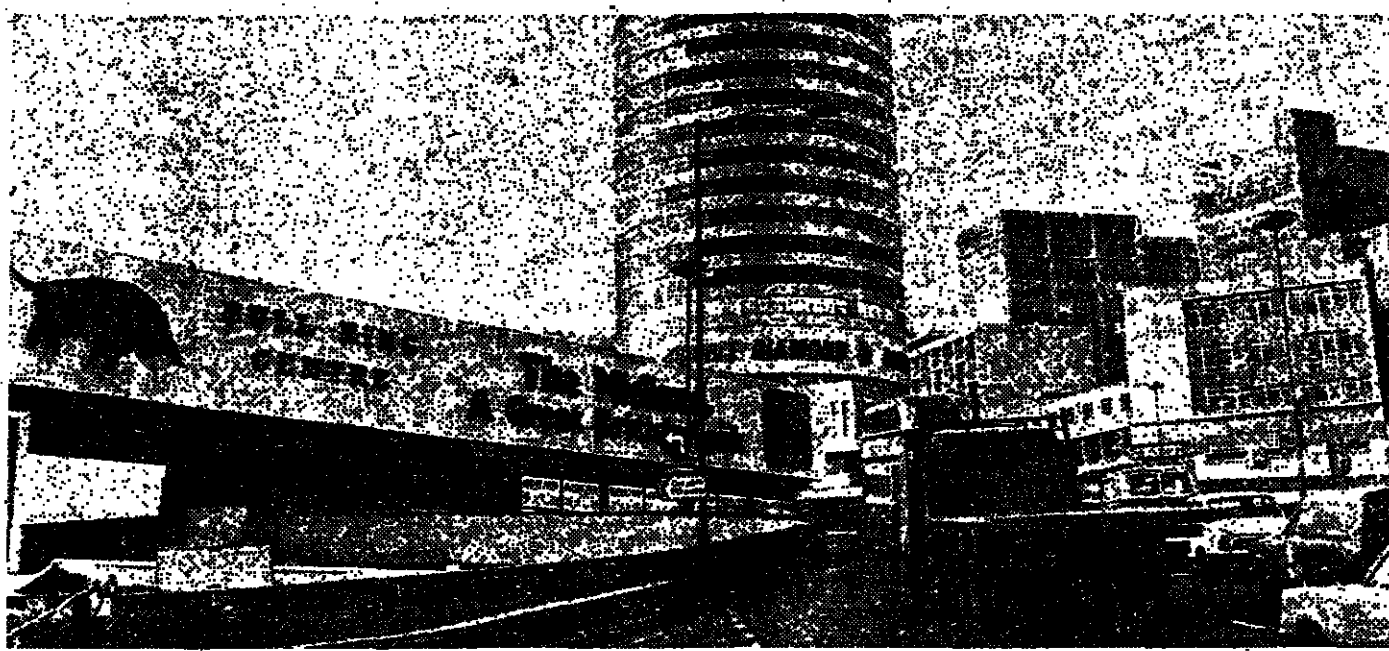
importance which could totally transform the pattern of future development.

If there is one thing that hard workers and money makers resent it is the climate we are now experiencing in the economic depression. It is totally alien to a city the majority of whose citizens cannot remember what unemployment means and it is resented because they can see no way in which they can put the fault at their own doors. The number of jobless now stands at 6.6 per cent. of the working population in the Birmingham area and is considerably higher for the city alone when those who normally commute from outside to work within the city boundaries are excluded from the figure.

Birmingham simply does not know what has hit it. It is, after all, a city of widely diversified activities even though so many of these are concerned with "metal bashing." It was always thought that there was a cushion of easy job transferability should one employment sector suddenly feel the draught. The seriousness of the present economic depression has proved this assumption to be wrong.

Tireless

They are, however, an ingenious and tireless people and there is a firm willingness to see things good again. This could be frustrated on two theurs and no one else's. At the moment, however, their ambitions are being frustrated in a way new to the city. And at the same time there is an increasing consciousness of their new-found



The Bull Ring in the centre of Birmingham.

productive labour and to dissipate the city's still considerable wealth. Those who would take this course claim that it is the only way to salvation. May the best man win.

On the second point the metal bashers point out that they are certain they could increase the city's wealth and reduce unemployment if only they were left to get on with it. In this place which has been the breeding ground of individual initiative, with the successful family firm growing up from virtually nothing, there is strong resentment against what is seen as deliberate Government measures

aimed at preventing the repeat of past successes. Capital transfer tax, high income-tax, a possible wealth tax and many other measures are seen as deliberate stifling of the native initiative of the citizens.

Why too, it is asked, should there remain what are considered the ridiculous restrictions on business expanding in the West Midlands generally. Unemployment is higher than the national average and the policy of diverting any foot-loose or expanding firm to the officially designated developing areas no longer applies. "We are all development areas

now." More galling is the possible loss of existing industry when someone who wants to expand is only allowed to expand his business by 15,000 square feet or less.

But all is not despair. There is a strong feeling of an imminent industrial recovery which will probably show itself in the last two months of this year. Despite official and semi-official figures the locals reckon that the man on the shop floor knows the general mood better and things are definitely looking up. Trade missions are already picking up business for a few years. While being proud of their new importance there

is also the feeling that Birmingham must change to adequately accommodate the international visitor.

Already the hotels, night clubs and associated service industries have experienced great benefit. But Birmingham must be able to do better than provide additional entertainment for the tired businessman. This will be the greatest test for those interested in the welfare of the city in the few years ahead. The present image is one of the almost undiluted philistinism. There are all the marks of the higher culture there in music, art galleries, education facilities and the like but they seem to lie uselessly on what seems to the outsider a brash, beer-swilling society. The citizens will have to decide what makes them worthy hosts to the rest of the world.

It is difficult to know what they can do about the actual physical structure of the city. This is one of Europe's man-made disaster areas. The centre has been virtually rebuilt since the War and it is difficult to think of a more ugly "second city" anywhere on earth. As one leading citizen put it: "We have been let down by the planners."

But perhaps it could be another instance of the people thinking too much about money and not enough about aesthetics. As long as there was sufficient shopfloor or office space in which to operate little attention was paid to design.

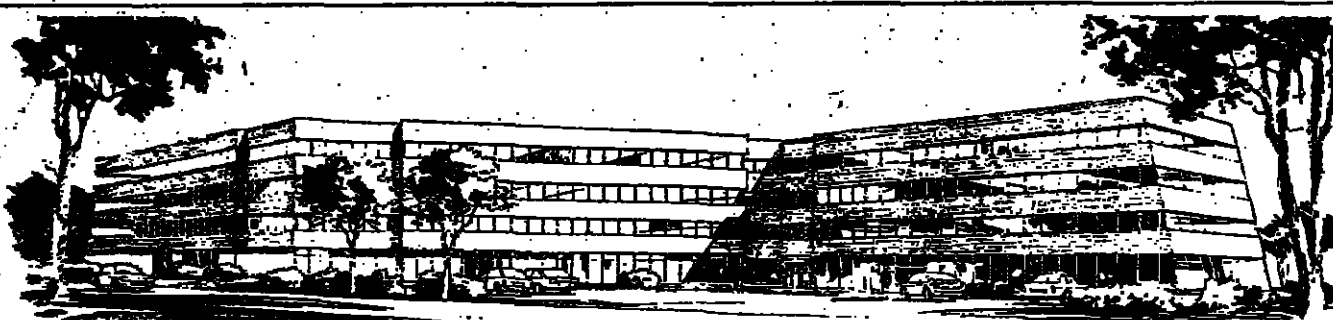
One of the basic difficulties that faced the city in restructuring the place was to accommodate the motor car. This is Britain's car city and it is some-

times said that all Brummies are born not with a silver spoon in their mouths but an ignition key. The battle for the city was lost before it was begun.

Supreme

The car reigns supreme. There was even a suggestion of a couple of years ago that the recently completed and very expensive inner ring road should be devoted occasionally to motor racing. This suggestion was entirely superfluous. Any rally driver *manoeuvre* could gain all the thrills and experience he needed by going around the circuit any normal day of the week. And if, as I suspect, the spectator interest in this sport lies to a great extent in the anticipation of disaster there is plenty to keep the mind alert by simply standing on the side of one of the ring road's many roundabouts. But Birmingham demands to a great extent for its living on the motor car. It is an example of enlightened self-interest that the vehicle should be hampered.

There are greater problems for the city in the short term. It has a large and increasing immigrant population which is putting a severe strain on the social services. It has an entrenched housing policy which has been actively nurtured by councils of both political persuasions. There is anxiety that these two services might suffer. This leads to considerable frustration. The general mood can be summed up as: give us the opportunity to make the money and we will pay for all these things and more.



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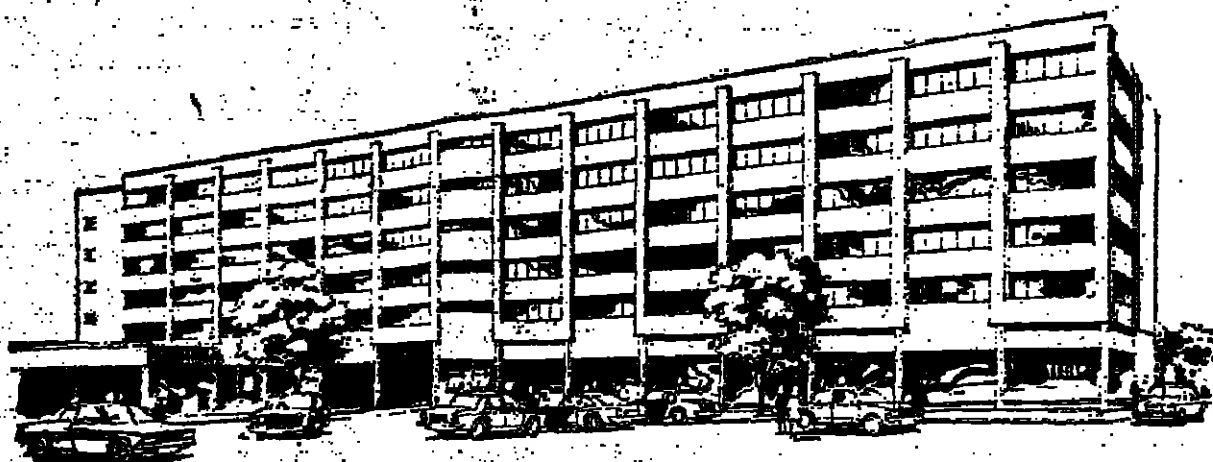
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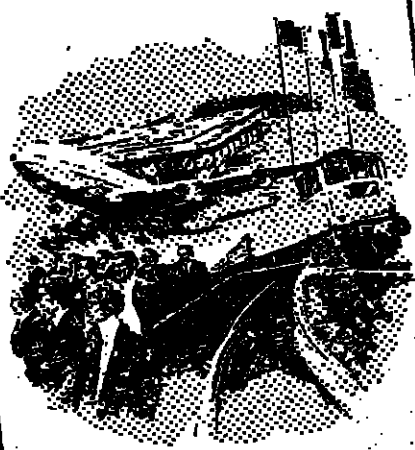
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The Rover assembly plant at Solihull.

Industrial reforms prompted
by the recession

AMONG BIRMINGHAM industrialists these days the conversation has a habit of turning towards plans for the future, and reforms that might be made in the existing industrial structure of the city. It was not always like that. Birmingham built up a well-deserved reputation as the workshop of the Midlands - the city of a thousand trades - and became a trifle blasé as prosperity continued without interruption even during periods of economic difficulty in other parts of the country. But the last three years have been a different and unwelcome

experience for the city. The old base of engineering, jobbing work, small trades, and automotive industry-linked activities, proved inadequate to protect the city from growing unemployment culminating in real industrial difficulties during the recent recession. Whereas traditionally unemployment was almost unknown in the city it rose sharply last year to above the national average and even now cannot better the national average. Birmingham is in fact reflecting in a sharp fashion the way that prosperity drained out of the west Midlands during the recession period rather more sharply than other areas of Britain. The reason was basically a decline in demand for consumer-oriented products.

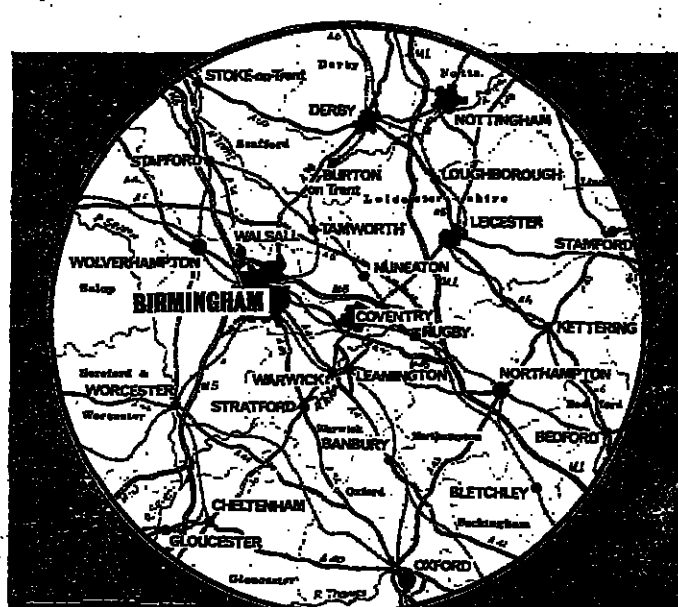
The situation has not been righted as industry has moved out of recession in recent months. The June employment figures show about 5 1/2 per cent unemployment in the Birmingham and West Midlands travel to work areas which is exactly the national average. In contrast in the nearby East Midlands where the industrial pattern is less volatile unemployment is a whole percentage point less. Manufacturers, and in particular members of the West Midlands Chamber of Commerce which provides a focal point for the business life of the city and surrounding district, all tend to the view that it will take a long time to pull Birmingham back to the city's old pinnacle of virtually no unemployment and wage and prosperity levels well ahead of most parts of the country.

Innovation

In the meantime much is being done to underpin Birmingham's industrial position. For instance, the city has gone further than most of Britain's great cities in taking steps to protect the older trades which provide jobs. When, some years ago, redevelopment of the central areas was in full swing and the small businesses of the old jewellery-making quarter were consequently at risk it was the city that took a lead in providing new multi-storey factory blocks in which a series of factory "flats" could be provided to re-house small companies. The innovation worked. The jewellery businesses were saved for Birmingham, and the flatted factory concept has, several years later, become recognised as a useful way of keeping city centre jobs. At present the English Industrial Estates Corporation is, on the government's behalf, building small factory premises in other cities to encourage young businessmen to stay faithful to their own urban areas rather than going somewhere else to set up businesses.

Another positive move by Birmingham in the city's fight to keep a high level of employment within its boundaries has been the massive development of service industries. City centre office redevelopment has been impressive. But in addition a new office city has been built in the inner suburb of Edgbaston which is one of the most favoured British office locations outside London.

The problems of the automotive industry are at the core of Birmingham's industrial problems. The city owes its 20th Century expansion to being



the acknowledged centre of the British automotive effort. The city has not lost that role. But the difficulties being experienced by that industry and the changes in the automotive industry structure have not helped general confidence in Birmingham. While one fifth of activity in the city and the surrounding area continues to be devoted to automotive activities it is clear that what is happening in Japanese and South Korean car factories, in Detroit and in Wolfsburg, will continue to matter greatly to the man in the street in Birmingham.

The truth is that Birmingham has been so resolutely wedded to motor cars both directly and indirectly through a complicated hierarchy of small makers of components and similar ancillary activities that the city and the district have tended to concentrate on those activities to the exclusion of the newer, high technology industries which are proving to be the pace-setters in Britain's current areas of leading prosperity. Each time there has been a downswing in the British economy during the last decade Birmingham has suffered more severely. The process has been progressive because Birmingham has just not kept pace with the industrial Joneses.

The problem is now clearly recognised. The Government has been pressed continuously during the last year to relax its industrial development policies - which so discriminates in favour of the Assisted Areas of Britain - so that the seed corn of new industrial activity can be planted in Birmingham and the Midlands.

Recently the Chamber of Commerce joined forces with the West Midlands Economic Planning Council, the Confederation of British Industry, and the Trades Union Congress to ask the Government to take a radical new look at the Birmingham and West Midlands industrial picture. Their joint memorandum stated starkly that the West Midlands economy must now be considered to be in decline when compared with the performance of most other regions. The Government has reacted to the point of making it slightly easier for industrialists already in the Midlands to obtain the vital Industrial Development Certificate to redevelop. But the Birmingham area still feels that the overall British regional policy dis-

perity depends upon slow but sure movement away from high dependence upon engineering and automotive activities. That is something which is difficult for a Birmingham person to say. But increasingly it is being said there.

The labour relations scene is encouraging for those promoting change. The union leaders are generally taking an enlightened view about the need to alter old industrial structures. Lessons have been learned from the progress of the Mexican motor cycle co-operative set up in 1975 with a government loan: since then striving desperately to prove its viability. The recent history of both the motor cycle industry and the motor car industry in and around Birmingham has been traumatic. But out of it has come a considerable measure of new understanding. At heart Birmingham people are down-to-earth and practical in their approach to life. It is a quality which has done much

to enhance the city's industrial reputation in the past and should be equally valuable in the future.

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BIRMINGHAM III

NEC proves to be a winner

BIRMINGHAM'S newest and best baby is alive and well, attracting vast numbers of visitors from all over the world. That is the cheery message coming out of the National Exhibition Centre, opened by the Queen in February and acclaimed as the most stupendous commercial enterprise in the U.K. for many years. It is too early to start talking about prospects for the Centre's long term success with degree of accuracy, the list of exhibitions being signed up to grow and already encouraging sounds about break-even dates are being made.

The Centre, situated a few miles to the east of Birmingham, the City's expanding air- and within minutes of the city network and a main trunk—opened its doors to the public on February 2 for its first season and by the end of the year had apparently played host to fewer than 700,000 visitors. The next couple of months, in represents the exhibition industry's off-season, the Centre be closed and its managers therefore have their first thing space to take stock of has happened in the first months of operation and to forward.

There will certainly be a deal for them to contend with, and, despite the overall success so far, it has all been an easy ride. The management itself, in the shape of the National Exhibition Centre Limited—the agency formed by Birmingham District Council, the City's Chamber of Industry and Commerce to run the complex—has not had an either smooth time, with first general manager having even before the Centre opened. He has just, at long last, been replaced.

The Centre also had to cope with a fairly long list of teething troubles which cropped up the world's newest exhibition complex was forced to quickly about coping with influxes of people, arriving by train, plane and road to see it was on display.

Smoothly

But, according to the management, the important things have generally gone fairly smoothly. A spokesman commented: "While we are not in any sense complacent we are more confident than ever about the future. Many of our original administrative problems have been sorted out, the demand for exhibition space is still rising and the number of visitors we have received has exceeded our wildest expectations."

The Centre is particularly encouraged by the large numbers of foreign visitors who have arrived at the site, curious to see Britain's new showcase. It is evident so impressed that they have made a point of reaching our officials and consulting them on a job well done.

The ability to attract large numbers of foreign visitors and exhibitors will have a large part to play in the Centre's overall success. The plan is to achieve substantial increase in overseas participation in the next years and the ultimate objective is to be able to stage completely foreign exhibitions at the NEC.

In the past, the U.K. exhibition industry has usually missed the chance to hold some of the big shows on the European circuit because of the lack of suitable facilities, but now the situation has changed and it remains to be seen whether a promotional push for European exhibition business will pay dividends.

The NEC has some interesting dates in its calendar of future events. One of the latest additions to the fold is Interbuild, the major building exhibition traditionally held in London but now switching to Birmingham in November next year. In the following year comes perhaps the biggest coup of all: a combined commercial vehicle and motor show which will be among the biggest exhibitions ever staged in Great Britain. After months of debate and indecision, the Society of Motor Manufacturers and Traders finally decided to take the plunge and move away from Earls Court and to launch the combined event at the NEC in 1978.

Its size should not, however, overawe the NEC whose task it was to actually open for the first time with a show every bit as large as the event planned for 1978. The International Spring Fair was the largest trade show ever put on in the U.K. and proved a major test for the Centre's facilities.

One problem area has undoubtedly been the catering services, which have provided some major headaches during the early months. These have now, apparently, been sorted out.

The NEC has already proved itself ready to accommodate a wide range of events away from the traditional run of trade shows. It has shown great interest in helping to accommodate events in the Commonwealth Games if Birmingham pursues its efforts to stage them, and last week the Centre housed a special mini-motor show held by one company, British Leyland, which was timed to coincide with the launch of the new Rover model, made a short distance away at the new Solihull plant. Leyland workers were invited to bring friends and relatives to see their own work as part of Leyland's drive for stimulating worker involvement in the company's affairs—a policy which seems to have gone a little astray in the last few days.

Before the NEC opened, one of the major minus points put forward by those people who suggested that the Centre's future looked uncertain—some are not yet convinced otherwise—was its actual location, 100 miles from London and the traditional exhibition centre for the U.K. Would exhibitors uproot themselves to travel north into new territory and would visitors make the effort? Certainly, the evidence to date suggests that exhibitors have not been put off making the move, though their continuing presence is not of course guaranteed, and the gate figures would seem to suggest that wherever they come from—visitors can be attracted in large numbers.

The NEC believes, in fact, that visitors have not been coming up from London and rushing back to the capital in the evening—British Rail introduced a

£2 return fare to allow them to do this—but have been staying on in the Midlands to see what the region has to offer in terms of entertainment and recreation. As an NEC official put it: "We are not, and never have, pretended that Birmingham can support the range of facilities on offer in London but it can provide a different set of alternatives which people are apparently very anxious to see." The NEC has undoubtedly had considerable success already in overcoming some of the understandable doubts which exhibitors have about the new centre. They have placed great emphasis on the NEC's own catchment area and repeatedly reminded people that the centre's location is virtually ideal from the communications point of view. There are 14,000 hotel rooms within a 20-mile radius of the NEC and the 100-mile gap between the site and London can be bridged in around 80 minutes by any of the numerous trains which use the new £8m. British Rail terminal alongside the complex. Further development of Birmingham Airport, which now looks increasingly likely, will really help to internationalise the centre and bring it nearer to people from all over Europe and even further afield.

As the centre becomes established, with the idea of successful exhibitions being possible in what many people still consider to be a remote location, the attraction of the complex should be hard to resist.

The exhibition industry has been inundated with lists of impressive statistics to demonstrate just what the centre can offer, from its 1m. square feet of floor space sitting in 310 acres of landscaped grounds, to hotels, conference facilities, business services, shops and restaurants. The complex is the result of long and detailed studies of similar centres throughout the world which highlighted the mistakes of others as well as the triumphs. Feedback so far suggests that exhibitions, undeterred by the higher charges which such facilities demand, are very pleased with what they are getting for their money. There is no question that the people of Birmingham and the surrounding areas have found considerable cause for pride in a project which many never imagined would see the light of day but which now braces itself for the first full season in a somewhat revitalised British exhibition industry.

Michael Cassell



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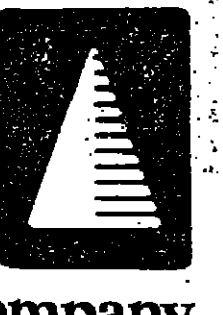
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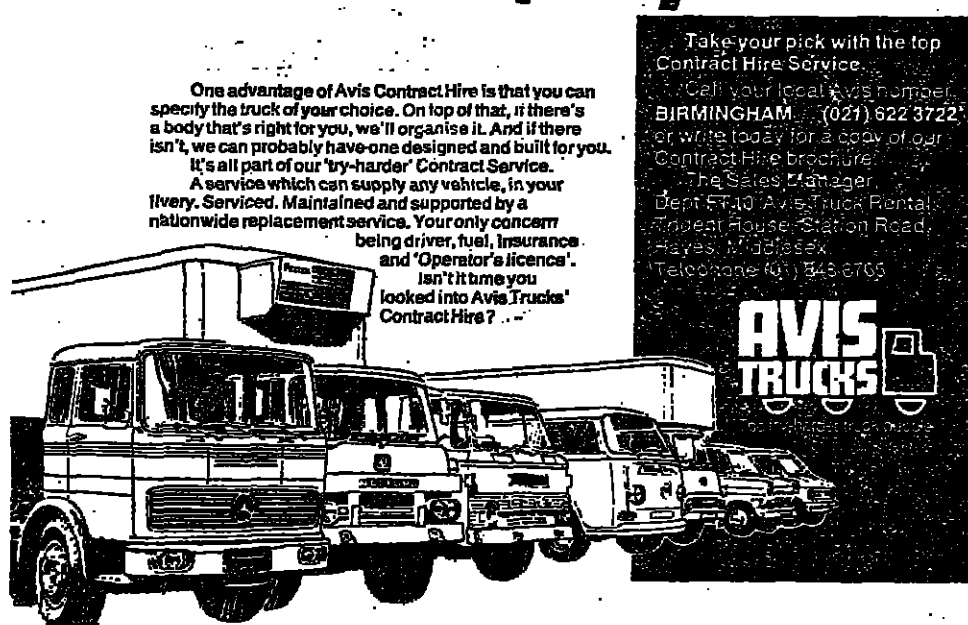
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BIRMINGHAM IV

An extensive financial community

"BIRMINGHAM IS making a major effort to be recognised as an international city," a banker there said recently, referring to increased overseas trade activity and the opening of the National Exhibition Centre at the heart of the Midlands region.

It is fortunate for Britain's "second city" that, at a time of record export-import business and with the economy starting to emerge from recession, it is equipped with such an extensive financial community.

The boom period for the build-up of Birmingham's banking fraternity was the expansive monetary era of the early 1970s. A considerable procession of merchant banks and overseas banks then opened up there, adding to the long-established representation of the big clearing banks, insurance and other institutions and the active Stock Exchange community.

In the event, the newcomer banks found themselves experiencing the chill of the deep recession which set in in late 1973 and which has endured most of the time since then. But now the economic atmosphere is beginning to warm up, and the great majority of the recent arrivals are still in Birmingham, in position to take advantage of the recovery as it develops.

Withdrawals

There have, however, been some withdrawals from the Midlands financial scene. Slater Walker Securities has pulled out of Birmingham, which it entered with a fanfare in late 1972 in its first expansion move in a British regional centre, and the former Old Broad Street Securities merchant banking arm of United Dominions Trust has lost its separate identity as a result of its parent group's retrenchment measures.

Birmingham can trace its banking history back for centuries and two of the Big Four clearers, Lloyds Bank and the Midland Bank had their origins there. The Bank of England, which has been represented in the city since 1836, has as its present agent Mr. David Nendick, whose role is to keep in touch with industrial as well as financial trends in the busy Midlands region.

Among the large clearing banks with extensive branch networks, Lloyds and the Midland are particularly strongly entrenched because of their lengthy history in the region.

and the National Westminster Bank opened a regional office in Birmingham in 1969. Williams and Glyn's, strongest in the North West for historical reasons, has a regional office and a branch in Birmingham.

The Midlands area is a major one for Barclays Bank, whose large Birmingham-based local Board was formerly chaired by Mr. Anthony Tuke, now chairman of the Barclays Bank group. Barclays' offshoot, recently renamed Barclays Merchant Bank—and now headed by Mr. Charles Ball, one of the City of London's best-known merchant bankers—also has a branch in Birmingham, run by Mr. David James. BMB, strongly placed as the subsidiary of a major clearer, specialises in medium-term financing arrangements, an activity which, while it has been damped by the recession, is likely to pick up with the economic recovery.

Of the merchant banks in London's top-ranking group of accepting houses, Hill Samuel has one of the most sizeable presences in Birmingham, with a banking hall, serving a few hundred clients, a considerable deposit-taking business and a corporate finance side advising local companies. Mr. Robert Burns, who heads the operation there, agrees with many other bankers that lending activity has not yet recovered from the recession. But he anticipates a more marked increase later in the upswing of the economic cycle and meanwhile notes more interest in leasing.

Another accepting house which has paid a lot of attention to Birmingham is Singer and Friedlander, whose Birmingham office is headed by Sir Timothy Harford, a director of the bank.

Charterhouse Japhet, Samuel Montagu, which is owned by the Midland Bank. Kleinwort Benson and Brown Shipley are merchant banks of accepting house status with a presence in Birmingham.

Industrial and Commercial Finance Corporation, in the bank-backed Finance for Industry group, is represented in Birmingham, where the wide range of smaller and medium sized companies of the kind it invests in and nurses makes its role significant. Gresham Trust is another, smaller, financial concern which specialises in taking sizeable minority shareholdings, up to around a third, in unquoted companies. Its Birmingham operation is run by Mr. Ran Feinertzhagen.

Lending

A financial and banking concern of a specifically local origin is G. R. Dawes Holdings, the former Neville Group, which was a highly active Midlands issuing house in the 1960s. Headed by Mr. Howard Dawes, it has been quoted once again on the stock market since last autumn after a considerable suspension following a reorganisation which involved the shedding of a good deal of its industrial interests and which coincided with a period of restrictive lending policy during the secondary banking upheaval.

The former Birmingham Municipal Bank, now renamed Birmingham Municipal Trustee Savings Bank, is a long-established institution in the region with many customers at its large network of branches in the Midlands. In addition to its general business, of the trustee savings bank type, it has traditionally provided mortgage loans to house buyers.

Standard Chartered Bank, the British banking group with large interests in Africa and the East and an expanding European business, has for some four years had a Birmingham branch which makes a speciality of business connected with overseas trade.

The large French banking group, Société Générale, is expected to open in Birmingham later this year.

Reflecting the influx of a substantial immigrant community, a number of banks from the Indian sub-continent, including Bank of India, Habib Bank, National Bank of Pakistan and— from Bangladesh— Sonali Bank, are represented in Birmingham and elsewhere in the Midlands.

With the range of large and smaller companies throughout the Midlands, Birmingham has a long-established Stock Exchange community and is the centre of the Midlands and Western unit of the Exchange, whose chairman is Mr. Donald Wasdell, a partner in stockbrokers Smith Keen Barnett.

In Birmingham, where the trading floor in Margaret Street was reopened in completely refurbished form in April, there are three jobbing and 13 broking firms, the latter including three— Cutler and Co., Harris Allday Lea and Brooks, and Smith Keen Barnett— which also have London offices. Some others

among the Birmingham firms also have offices in other towns. Overheads of Birmingham stockbroking firms tend to be considerably lower than in London, so that the impact of subdued revenues on profitability in today's conditions of low stock market turnover is often less than in the City of London.

Upsurge

Nonetheless, against the present stock trading background, attention is inevitably recurring to the possibilities of some eventual get-togethers reducing the number of firms in the region's stock market community. Mr. Wasdell remarks: "There is more inducement to think about mergers now than in 1975 when there was an enormous upsurge in trade."

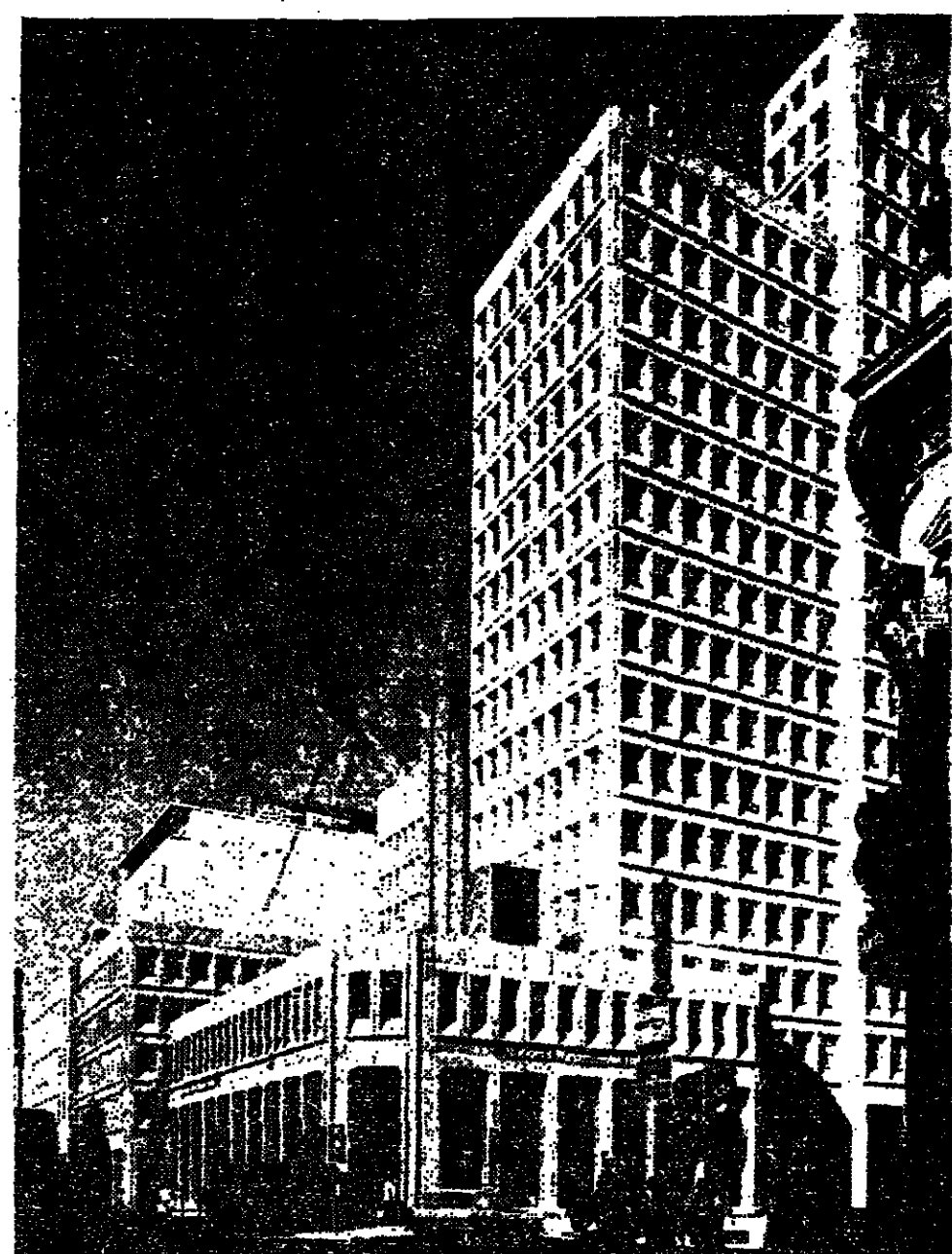
A major Birmingham-based group is Forward Trust, the finance house owned by the Midland Bank and taking its name from the city's motto, "Forward." Forward Trust, with the strength of its parent behind it has come through the past few years' upheaval in the

hire purchase industry more buoyant than last competitors.

Like others in the city, it can hardly at present be said to be in the company of a notably brisk. But there are signs of upturn on the commercial side, says Mr. O'Malley, the managing director. "There is a definite almost every facet of commercial business— it is consistently noticeable in equipment and commercial vehicles since February. Surely have no doubt, it passed out of the recession phase in the region."

Birmingham is also the of a number of wider insurance groups. British Insurance, with considerable investments in land, industry, including smaller companies, at mutual Western and Assurance Society, based in the city is 3 Assurance, a subsidiary of Star Insurance.

Margaret



The new premises for the National Westminster Bank at the Colmore Centre, which have been built by Bovis Construction.

Motors remain dominant

Birmingham, has brought about the dominant motor industry a change of heart, but the damage has been done and will take a long time to repair.

It is not simply a question of the Government pumping £2,000m into British Leyland and arranging a £102m rescue for Chrysler, which has some land also has several R units in Birmingham. Although the Government's pay policy has inevitably caused or intensified problems, leading to a variety of industrial protests particularly by staff and by toolmakers and other skilled workers, a quieter period has marked drive cars, Lucas, recent months. Extreme militancy on the shop floors has been curbed by the backwash of moderates against the hotbeds and by progressive industrial relations policies, notably by taking work forces more fully into management confidence and giving it a louder voice in decisions.

Distinction

It would be wrong, however, to tar all of the industry with the same brush. A clear distinction can be made between the making of an increasingly vi assembly side and the component contribution to exports. On the one side, both of which are imports have been outstripped prominently represented in the car— exports, but component makers last year increased their shipments by a third to 1

CONTINUED ON NEXT PAGE

Communications a key factor in the city's prosperity

MANY people, Birmingham is famous for its communications links as for the car which have played such an important role in establishing the city's prosperity. The one of Britain's first motor cars, aimed two decades ago at linking London and Birmingham, closer together, more why it has been the Gravelly Interchange. Spaghetti junction—which hit the head for the complexity of the engineering operations involved in its construction, and complex layout of road junctions which resulted. And, in another transport, the city has made history being the site of the only new mainline railway to be opened this century, Birmingham International, cent to the new National Exhibition Centre a few miles in the middle of the city.

Criticism

It is probably the road which plays the major part in Birmingham's transport system. It is not infrequently criticised as the city itself is that its planning has pondered too much to the needs and use of the motor car at the expense of those temporarily or transiently transported. The first recorded road link, London and North Wales, King Street, built by the Romans, ran about 15 miles east of the present city centre. Birmingham is at the junction of the M1, M6, and M5, giving it direct connections with London, the North West, Scotland, Bristol and South Wales, placing it at the southern end of the 304-mile continuous road route between London and the Scottish border. Further south, the M42 Birmingham to Nottingham motorway, joining the M5 in the West to the M1 near Birmingham, and the M40 from Oxford to the M42 south of Birmingham providing an alternative route, between London and Birmingham, and the M1 East.

For when the motorway network at or near Birmingham, it then able to transfer to a ring road system that must be the envy of many other cities in Britain and to reasonably good road links.

The weak spots tend to be at other ends of those trunk roads and motorways. One notable deficiency is the absence of a really good east-west route linking the city with the East. But Birmingham is not the only place to suffer from this lack. The country, for reasons of another, has seemed to place far more importance on north to south and south to north links, leaving London and the economic whi-

pool which has grown up around the city's transportation than movement from east to west. For a city like Birmingham, with large scale movements of export goods increasingly being routed via such ports as Harwich and Felixstowe, this is a serious deficiency, and has been causing concern to the region's industrialists. With spending on roads already curbed under the plans to curb the growth in public spending, and with a further tightening of the screw almost certainly on the way, it is, moreover, a deficiency not likely to be remedied for a long time.

Nonetheless, Birmingham's strengths where road communications are concerned are most marked, and have been having a considerable effect on the commercial life of the city and the West Midlands conurbation of which it is a part.

It is notable, for example, that the area's bias toward manufacturing industry rather than services and distribution, in which it contrasts strongly with the South-East, is lessening as new road communications links are completed.

The National Exhibition Centre just to the east of the city centre, with its four special intersections providing rapid access not only from the nearby motorway but from the three nearby trunk roads—the A45 (Birmingham to Coventry), the A446 (Coventry to Lichfield) and the A452 (Stonebridge, to Leamington Spa) is one extreme instance of the sort of developments, the city's position on Britain's road network has made possible.

Less dramatic but also highly important are the extensive warehousing and distribution operations that have sprung up around the city, redressing part of the manufacturing/service industries imbalance and pointing the way to its further alleviation in the future.

Just as Birmingham is at the centre of the motorway network, so does it have an extremely advantageous position as far as rail communications are concerned. There are direct links with Penzance (6

hours 22 minutes away by the fastest trains), Bournemouth (3 hours 40 minutes), Cardiff (1 hour 58 minutes), Liverpool (1 hour 39 minutes), Manchester (also 1 hour 39 minutes), Glasgow (4 hours 20 minutes), Inverness (8 hours 40 minutes), and Newcastle (3 hours 40 minutes) and Edinburgh (4 hours 25 minutes), as well as London (1 hour 31 minutes) and, obviously, most points in between.

Again, the gap in services eastwards, towards a part of the country ill-served by rail services. But for Birmingham the deficiency is not one of its commercial life (and freightliner services to the east coast ports are available). Rail services generally, of course, have an important part to play here; apart from passenger movements (and some 350,000 passengers use Birmingham's New Street station every week). British Rail has some lucrative freight contracts in the area, especially with the major car and motor component factories. The Freightliner terminal at Lawley Street is one of Britain's best, with regular services to London (Willesden), Southampton, Harwich, Felixstowe and Belfast via Holyhead.

Subsidy

A big boost to rail travel has come from the opening of the National Exhibition and its adjacent £6m. railway station, with a half-hourly service of trains from London (60 minutes away) at peak periods and a peak of six trains an hour on weekdays to New Street.

Local services in the city are administered with a considerable subsidy, by the West Midlands County Council, and are at present subject to plans for a £6.5m. upgrading of the cross-city route.

The scheme involves the construction of new stations at Five Ways and near Birmingham University, as well as improvements to Selly Oak and Bournville stations. It was effectively given the final go-ahead in April when the City Council approved plans for the

new stations. Sadly, these will have no facilities for disabled passengers, despite the increasing importance belatedly being placed on the needs of the disabled in public places. That was a factor which much concerned the city's planning committee, to its credit. The go-ahead was given only reluctantly, in order to save the scheme from coming under any tougher public spending act, and with the proviso that such facilities should be added when more money is available.

The third strand in Birmingham's communications network is its airport at Elmdon, one of the busiest regional airports in the U.K. A total of 1,02m. passengers travelled through its terminal in 1974, more than used any other airport outside London except for Manchester (2,32m.) and Glasgow (1,94m.). Last year the figure was up to 1,08m. against Manchester's 2,58m.

From Elmdon, there are regular scheduled flights to such overseas cities as Amsterdam, Brussels, Copenhagen, Düsseldorf, Frankfurt, Paris, Cork and Dublin, with domestic flights to Aberdeen, Belfast, Bournemouth, Edinburgh, Glasgow, Guernsey, Jersey, London, Manchester, Norwich and Newcastle.

With the opening of the Exhibition Centre, which is very close to the airport, services have been stepped up and a significant increase in passenger numbers is expected. Thus, in September plans to improve the Heathrow link were unveiled with the signing of a deal between British Midlands Airways and British Airways regional division under which BMA would operate three flights in each direction between Elmdon and Heathrow daily in addition to BA's single return service. This brought considerable benefits in the form of improved connections for Birmingham businessmen and visitors to the city with flights from Heathrow to other world destinations. And it is a measure of the growth of traffic at Elmdon that BMA is confidently expecting 50,000 passengers in the

first-year of the new services operation. Also prompted by the Exhibition Centre opening was the establishment of an air taxi booking office in the city.

Passenger traffic at the airport, which currently has the capacity to handle 1.8m. passengers a year, has been forecast to rise to an annual figure of 3m. people by 1990 as a result of natural demand growth (leaving aside any deliberate programme to divert more passengers from the London area airports). This would make Birmingham a significant international airport, though primarily concerned with medium and short haul routes, and necessitate the building of new terminal facilities. Plans for these, close to the new Exhibition Centre and station and linked to them, have been around for some time. They have, however, been subject to a great deal of uncertainty which has far from abated with the curb on public spending, particularly as the Government is responsible for 60 per cent. of the cost of approved capital development at the airport until 1981 under the agreement through which the predecessors of the present West Midlands County Council took over the airport's ownership from the state in 1960.

Already, international flights (albeit many of them holiday charters) play a large part in Elmdon's success. Of those 1,02m. people using the airport in 1974, 707,000, or 69 per cent., were bound for or had arrived on an international flight. In percentage terms, the figure was higher than that for any other U.K. airport outside the London area with the exceptions of Bristol (132,000 international passengers, which was nonetheless 72 per cent. of its total) and Prestwick (300,000 or 87 per cent.). And a third—245,000—of those international passengers were on scheduled, not charter, flights. This compares with virtually 100 per cent. of Birmingham's domestic passengers; only 2,000 of the 310,000 passengers on domestic

flights were on chartered aircraft.

Where Birmingham is less important is in freight movements. At present very little cargo is shipped from Elmdon, though this is a situation that could change.

Options

Still bigger changes could come under the proposed regional airport strategy being drawn up by the Government. One of the options put forward in the recent consultation document on the possibilities for the regional airports is that Birmingham should expand significantly beyond its natural growth level, playing a major part in the diversion of air traffic from the London area and handling as many as 10m. passengers a year by 1990. This would involve a new terminal—not costing £15m., as envisaged to cope with the natural growth in demand, but £100m.—and runway extensions to allow long haul traffic to be accommodated, as well as more major road improvements. The number of jobs provided by the airport would rise from the present 1,700 to about 8,000 compared with the 4,000 thought likely in 1990 with just the natural growth in traffic.

Whether all this will actually happen, of course, is very much an open question. Long term planning for airports growth has not been a conspicuous success so far. But if the Government does go ahead with diverting traffic away from London, and if the forecasts for natural growth prove right, Birmingham could very well benefit considerably, with its road and rail communications clinching the arguments for giving a very much bigger role to the third strand in its communications links, its airport. Thus will a city on the hub of Britain's once all-important canal network have maintained its position at the hub of Britain's communications systems of all sorts.

David Walker

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Motors

CONTINUED FROM PREVIOUS PAGE

£16m. for the first time, and are maintaining the good work. In the first four months of this year, exports of motor components and accessories rose 38 per cent. to £478m. or nearly 45 per cent. of a record total motor exports of £1,065m. While car exports in April reached a monthly record of £82m., and 45 per cent. more than in the same period of 1974. Thus while the city is saddled with major elements of British Leyland's problems—and to a lesser extent those of Chrysler—it also contains major elements of a component industry which is the strongest in Europe.

This makes it difficult to agree wholeheartedly with those official bodies, MPs and local authority members who single out the motor industry for their bitterest complaints about the imbalance it has caused to the local economy. Of course, what the city does need is an injection of newer technologically-based electronic and petrochemical industries, but it would be in a far worse plight now without the strength of the export biased component makers.

Recruitment

The degree to which the Birmingham area is dependent on the motor industry is spelt out by the employment statistics. In 1973 some 172,500 worked in the motor industry, or one in six in all manufacturing industry. The next year the oil crisis began to shave some off and by a year ago 17,000 jobs had been extinguished. Although the run-down has continued, two or three months ago recruitment to increase production of new models as well as to replace natural wastage, began a more hopeful stage.

The motor industry, particularly on the assembly side, has often been accused of over-manning, in common with other British industry. Rationalisation certainly seems to have gone further and faster than in other manufacturing industry locally, and it will be interesting to see whether the proportion of motor industry employees begins to expand again as the general economy picks up.

Much will depend on what happens at British Leyland plants. Many of the Corporation's problems stemmed from inadequate profits at the former British Motor Corporation plants at Birmingham and Oxford

(Austin and Morris respectively). The Longbridge factory is the largest within British Leyland employing more than 20,000 making Minis and Allegros, and supplying engines for all Austin and Morris models. It is perhaps ironic that the most successful model, the Mini, has been among the least profitable.

Certainly Longbridge has been drawing away profits made in other parts of British Leyland, like Rover, which has several engine, axle and other factories in Birmingham employing about 8,000 and an assembly plant just over the border at Solihull. A new Rover has just emerged from a £98m. project embodying about 1m. square feet of assembly facilities. This will enable BL to realise more fully the potential of the Land Rover and Range Rover, both of which are in high demand, and recruitment to put this into effect has been quietly going on for some time.

Longbridge has also been turning over some new leaves. The past two years or so has been marked by far more settled industrial relations and almost without exception lay offs have been due to outside disputes. New multi-million pound facilities include a re-built engines factory and modernised engineering facilities. The future of the site, which also includes body building, foundry and forging departments, has not yet been finally decided. But it is reasonable to suppose that as rationalisation proceeds, especially between the Birmingham (Mini and Allegro) and Oxford (Princess, Marina and Maxi) functions, Longbridge will ultimately concentrate solely on a new Mini, due in the next couple of years or so.

It is never safe to forecast the future of industrial relations. On the other hand it is evident that men-management relations have improved enormously and that there is a heartening spirit of determination on all sides to put British Leyland back on its feet and able to compete in models, marketing and production facilities with rivals in Europe and elsewhere. If the present trend continues then British Leyland should again be making a major contribution to the welfare of the city and beyond.

Peter Cartwright



Birmingham Means Business

For information on a site or accommodation suitable for your requirements contact the Commercial Officer, City Estates Department, 1 Duchess Place (Tel: 021-235 3682), or call in at the National Exhibition Centre and talk to one of the city's experts at the Commercial Office in the Central Piazza (Tel: 021-780 4141).

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BIRMINGHAM VI

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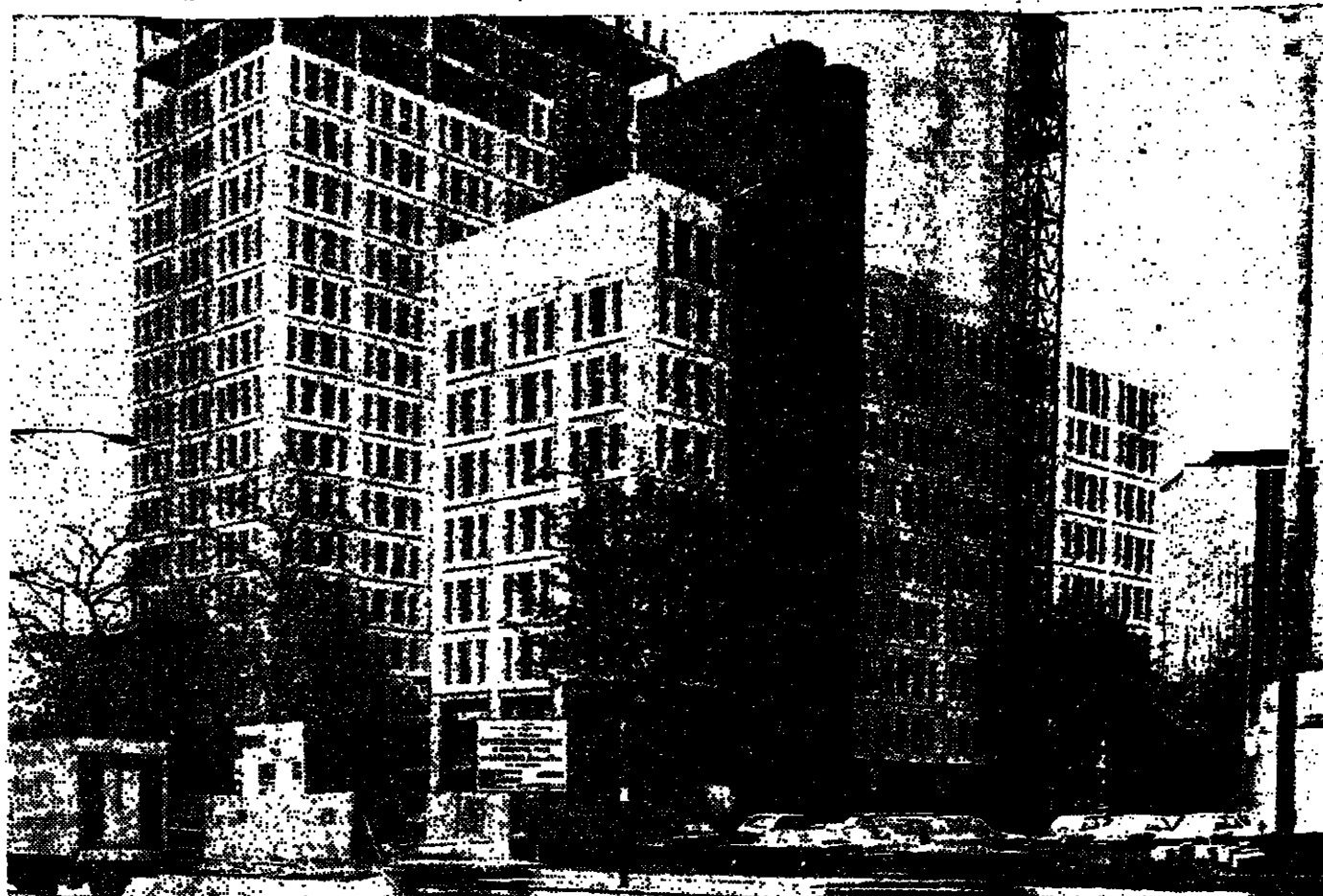
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TOO MUCH money is being lost in empty office blocks in the city, and too much more looks like being lost on those schemes still coming out of the ground at a rising cost which cannot be economically related to current rental values, for the first impression of the Birmingham property market is anything but gloomy. This is a substantially redeveloped commercial centre which, though it has several times before appeared to have a dangerous glut of offices on the market and each time swallowed up the space during the following boom, appears this time to be testing the limits of demand for several years ahead.

Dominant

This first impression must be the dominant one, for with something above 1.5m. square feet of offices available, Birmingham is among the leaders among the many over-officed regional centres. Put another way, if any vogue for relocation to Birmingham started—following the Lloyds Bank decision to decentralise and pre-let Laing's interesting Queens College Chambers development of over 90,000 square feet—there are some very fine new offices of the sort of size which can attract major relocation exercises available at around £2 a square foot.

It is perhaps ironic that the biggest of all space-users, the Property Services Agency, should have chosen here to do some development for itself, building its own 200,000 square



A new 147,000 square feet office complex in Hagley Road, Edgbaston, developed by Commercial Union Properties.

feet of offices at Five Ways, Edgbaston.

But to concentrate on office supply and the current absence of demand may be to miss the cyclical clue to Birmingham's property market. Office demand did not, after all, drop here until quite far into the recession, the effect being accentuated by the timing of some of the largest schemes. What had followed the true economic cycle more closely was the industrial property market, even allowing for the fact that demand for smallish units in the city had held up relatively well until well into last year.

What had been sticking on the market for at least two years, particularly in the vacant possession market, were the larger premises, even if they were quite modern. There are now signs that the position is changing.

Most agents report a quite sharp increase, even if it was from a very low base, in inquiries for factory and warehouse accommodation over the last three months. There is already a considerable take-up of units either side of 1,000 square feet and at up to 10,000 square feet there is quite lively demand with asking rents in the favoured industrial areas up to £1.25 a square foot.

There would at last appear to be signs that investment decisions, but off for good reasons over the last nine months, are being turned into active negotiations for premises. In some cases it is only now that those companies wanting to buy additional space realise how much building and refurbishment costs have increased since they were last in the market.

But most such purchasers up to £1.50 a square foot for units around 5,000 square feet and to £1.25 for 30,000 square feet-plus seem likely.

Such rent rises may come even when the gross figures for the availability of industrial space in the city continue to remain high or even rising. But then the Midlands have seen many instances of really large space users closing down over the past two years and the industrial premises they leave, even the relatively modern ones, are not the type needed by the sectors of industry coming first out of recession.

The last survey done by agents King and Co. illustrated this trend for the West Midlands, with a few large closures pushing the figure for factory space up alarmingly, from 2.1m. square feet last December to 3.2m. square feet this April. But this poll also threw up an overall drop for the region in warehouse space availability, made some sense in inflation

December's 3.9m. square feet coming marginally down to 3.8m. square feet—that being the first sign of reduction of space in the region for over a year.

So the key to Birmingham's demand for work premises may lie in a business cycle in which industrial properties are running ahead of offices. Proposals of this argument might point to a late weakness in demand for retailing premises showing that there are three separate strands in the cycle, spaced out over more than a year.

What puts the problem of office oversupply into perspective is the prospect of a gap between the rent for good industrial space and that for brand new, air-conditioned office premises narrowing still further. Instead of asking rents moving from around £3 a square foot towards £4, which would have made some sense in inflation

terms, this is so much a market that they have practice come back in £2 square foot or less, in manner of inducements form of rent-free period removal expenses being.

Apart from the draw National Exhibition (though even that has prevented plenty of sp. Sheldon standing empty rents well under £2 a foot), the success of some Five Ways schemes, as continuous popularity of hushed suburbs like S. Birmingham can be seen example of how develop. judged the natural priorities in the days of ing demand. There are for schemes in peripheral which look unlikely to tenants while good space the centre is available a which are a fraction of ex depressed London levels.

Resilience

Should the resilient demand which Birmingham shown for office space past reassess itself, then centre schemes might w up over the next year o leaving some lasting elephants further out. B size of some of the centre suggest that the dear single tenant lettings will likely to be fulfilled. I take indigenous demand floor, or a few floors at a to whittle away most surplus.

The bonus could be two major relocations (whole blocks, and ce there is now a greater of movements from L than there was a year ago few concerns were prepa undertake the inevitable relocation. That Birmi is in direct competition assisted areas to the north it comes to relocation, an new towns nearer London, likely to prevent it picki some of the expected dece sation business of the c years.

As a commercial cent attractions of its labour n are well known. Perhaps a wider choice of cheap space than any other E centre is now an imp added incentive.

Quentin Guird



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New towns policy in question

BIRMINGHAM HAS always been a little unsure about the wisdom of its new and expanded towns, set up to decant jobs and people from the crowded metropolis. The latent anxieties have often burst forth into open criticism, and concern has certainly become more widespread with the latest downturn in the national economy.

The new towns—Telford and Redditch—and the expanding towns—Tamworth, Droitwich and Daventry—are a product of the boom times of the late 1950s and early 1960s when continued prosperity and growth seemed inevitable. Population projections were high but, more than that, industry also had a dynamic which suggested available land and premises would quickly be swallowed up. The need was felt for counter-magnets to divert some of the investment and population growth.

Dawley, some 30 miles to the north west of Birmingham was designated a new town to take some 50,000 people from the city and the Black Country. But in 1968 the project took on a grander scale: the town was renamed Telford, places like Wellington, Oakengates, Madeley and Ironbridge brought in, and a population target set of 220,000 by 1991.

In 1964, within 12 months of the original designation of Dawley, Redditch was also declared a new town with the aim of more than doubling its population to 70,000.

The Birmingham City Council also negotiated agreements with Tamworth, Droitwich and Daventry to take overspill population in order to help meet the housing problems of the city.

But times have changed from the days when England's second city felt it could not cope with the pace of its own expansion. The Industrial West Midlands has slipped from a situation where it was generally the last to be hit by recession and the first to recover. The region suffered disproportionately in the downturns of 1969 and 1972-73, and now the question is posed of to what extent Birmingham will benefit from the current economic recovery. Was the high unemployment at the depth of the slump merely a temporary phenomenon or the re-

fection of a longer term decline?

These are the sort of questions, coupled with a drop in population forecasts, which have prompted a rethinking of new towns policy. Both the Birmingham local authority and the new West Midlands County Council have pointed out that regional policies are diverting the region's growth industries to the development areas. By the same token it is argued that new industry should be encouraged to develop and rejuvenate existing population centres, like Wolverhampton, rather than the new towns.

Official recognition of the changed circumstances is given by the more realistic population targets for Telford set out by Mr. John Silkin, the Minister for Planning and Local Government. While confirming the ultimate aim should be 220,000 people, he has suggested this might be achieved some time in the 1990s rather than the specific date of 1991. The more immediate objective is to realise a population of between 145,000 and 155,000 by 1986—this from the current level of around 97,000.

Mr. Silkin's revised projections are an acknowledgment that, given Britain's reduced economic performance, there is insufficient mobile industry to meet former programmes. His announcement makes it possible for investment in Telford's infrastructure and services to be adjusted accordingly.

There is still a question mark over Redditch, but in this case as to whether the expansion programme should be increased further. Redditch has proved one of the undoubted successes among the second generation new towns and, since designation on April 10, 1964, its population has grown from 32,000 to around 50,000 and is expected to reach the target 70,000 by the early 1980s.

A decision whether the target should be revised upwards will be taken in the light of the structure plans for Birmingham and the Black Country. Though the new West Midlands Metropolitan County is responsible for strategic planning, many of the second tier constituent authorities were well advanced with their plans before reorgan-

sation. Accordingly the plans for Birmingham, Wolverhampton and intervening Black Country areas have been subject to examination in public and a decision by the Environment Secretary is expected within the next few months.

It is obviously open which way the judgment will go, but on the present trends it seems likely that the target for Redditch will remain unchanged.

Overspill

Among the overspill towns, forams have been mixed. The success of Tamworth, and to a lesser extent Droitwich, has been balanced by the lack of industrial progress at Daventry whose Birmingham arrangement with Birmingham is being brought to a decision. Designated for expansion in 1964, Daventry has picked up very little industry from the city, and there seemed little prospect of realising the target of more than doubling the present population to 36,000 by 1981. The exercise may nevertheless have been justified by the assistance which Daventry has provided to Birmingham in meeting its housing needs, for some 50 per cent of the newcomers to the town are estimated to have moved from the city.

Though Daventry was a three-way partnership between the local borough council, Birmingham and Northamptonshire County Council, it was Birmingham which had the active role with responsibility for buying land for development, initiating private and public housing schemes, recruiting industry, and planning redevelopment of the town centre.

Mutual agreement has been reached between the partners about the conclusion of the arrangement but Northamptonshire County Council will undoubtedly have to take some measures to continue to promote development at Daventry. While the town has certain advantages and will continue to enjoy natural growth, it is important that too much momentum should not be lost and that a balanced employment structure should be maintained.

From Birmingham's point of view, Daventry was particularly useful at a time when redevelopment was taking place and people had to be decanted.

Now the emphasis is improvement.

Mr. F. J. Amos, chief executive of the Birmingham Co while conceding that the and expanding towns have the source of contro expresses a fair degree equanimity about the pr situation. "If people wa go to these towns, they We do not hinder them, n we encourage them."

The achievements of the towns over recent years i not be underestimated. A ford, for example, since first council house was occ in March, 1967, more than homes have been built, an 2,600 are under contract, a similar number in design moves to attract private dev ment, the development cor tion has sold some 20 sites more than 850 homes cov a wide price range have sold. Moreover, the develop corporation claims that 1 than 5,000 new jobs have brought into the area b it one of the best growth in the West Midlands.

As an old industrial nearly a third of Telford's is derelict and riddled with used mine shafts and work Vast tracts of the 30 sq miles of designated area having to be resculpture advance of development. No 5m. tons of spoil had to moved to provide the site which the magnificent new ford shopping centre is bui Redditch also can lay c to both environmental and advances. Its new Arrow Vt Park, embracing some 700 a along the course of the r includes a 28-acre lake, land a golf course and more than acres of playing fields.

Again attention has focused upon providing modern new shopping cen and the housebuilding gramme has been rapid, more than 8,250 homes built another 3,000 under const tion.

Despite the various misgivi expressed in the past about role of the new and expand towns, they now seem to be barked upon fairly reali development programmes. pace and scale of activity e be somewhat reduced but e effort is being made to main the social objectives.

Arthur Smi

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The Italian Parliament assembles to-day after the Communist advance in the elections of June 20-21. Anthony Robinson reports.

Big Two fight for the middle ground

SURPRISE recovery of the Christian Democrat Party in the Italian elections stopped the Communist Party from being the largest single party, but the central question of Italian politics is now more how to come to terms with a Communist Party which has a quarter more votes than it had in the last elections four years

ago. This is very much part of a pattern, but will determine the immediate future of the parties. They are only just begun to assess the situation created by the elections on June 21-22 in preparation for the meeting of the Parliament to-day.

Leap forward

By any reckoning the Communist performance has been remarkable. Between the 1953 elections and those of 1972 the party increased its vote by just half, from just over 6.1m. to just under 9.1m. Its percentage share of the steadily growing electorate, which itself rose from 27.1 to 34.4m. over this 20-year period, showed a much more modest growth from 22.6 per cent. to 27 per cent. But at recent general elections the party made a bigger leap forward than it had made in the previous 20 years together. It won 3.6m. votes and pushed its share of the poll from 27.1 per cent. in 1972 to 34.4 per cent. by a full 7.3 percentage points. What is more, the party only managed to hold on to its votes it picked up at the national and local elections last year, but actually added over 1.5m. to the 11.5m. as it picked up on that occasion. Admittedly a significant

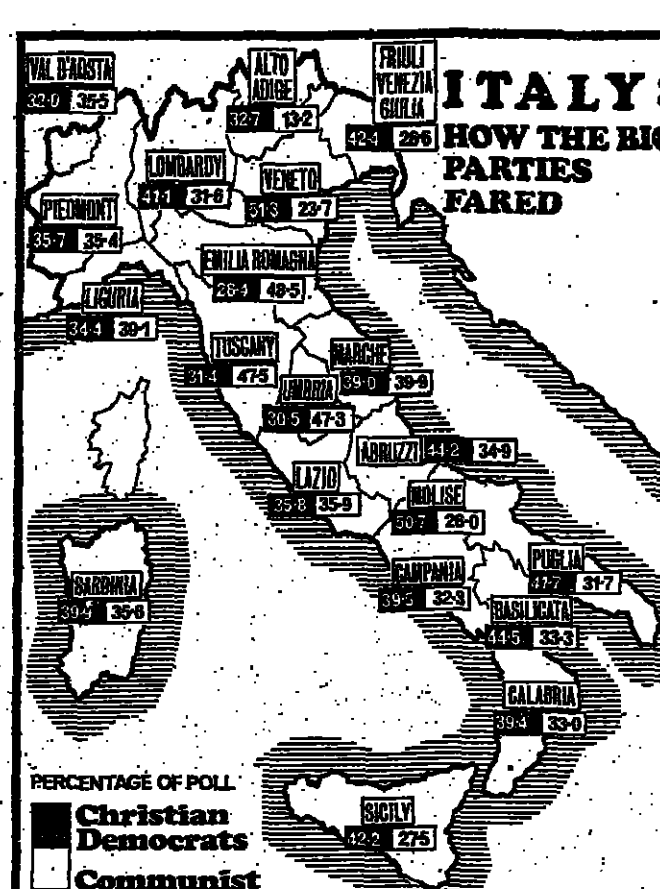
part of the increased total came from the five regions which did not vote in 1975, but the fact remains that over four years the PCI has picked up 3.6m. votes and 4.3 percentage points separate it from its main rival, the Christian Democrat Party.

Where did these extra votes come from? In the first place it appears that the PCI picked up roughly 2m. votes from something over 5m. voters below 25 years of age. It is equally clear, from the unexpectedly narrow difference between the Senate and Chamber of Deputies votes (voting age 25 and 18 respectively), that the Christian Democrat Party also managed to pick up nearly 2m. youth votes, a factor very heartening to those CD leaders worried up to now by the increasing age of the party supporters.

The other reservoir of new PCI votes has proved to be the mezzogiorno and other traditional Christian Democrat strongholds such as the Veneto and Alto Adige. In the regional elections last year the PCI made its strongest gains in the northern industrial areas of Liguria, Piedmont, and Lombardy, as well as in Lazio and its traditional strongholds in the Red Belt of central Italy—Tuscany, Emilia Romagna, and Umbria. It made relatively small gains throughout the mezzogiorno, with the exception of Campania and the Naples area.

This pattern was changed on June 20 when the mezzogiorno as a whole gave the PCI 31.4 per cent. of its votes compared with only 26.6 per cent. in the regional elections last year.

The Communist gains in the mezzogiorno are significant for several reasons. The gap between



North and South has been a constant feature of the Communist Party's electoral pattern since the war, due in large part to the mass emigration of able-bodied workers, and the difficulty which the party faced in organising a southern society deprived of much of its natural energy, and with a high proportion of women, old folk and unemployed.

The strong Christian Democrat recovery in much of the South demonstrates the continuing strength of conservative attitudes, but the PCI advance, helped it should be added, by the return of an estimated 400,000 emigrant workers to vote in these elections, does indicate that the party's renewed efforts to increase its influence and that of the trade unions in the South are paying off.

The significance of the PCI's gains in the South goes well beyond party political considerations and has a much wider cultural significance. They are one more indication of how Italy itself has become politically and culturally one nation, in spite of the still enormous economic differences between North and South. In a way it is a confirmation of the change in general cultural attitudes reflected in the surprisingly high pro-divorce vote in the South two years ago.

Compared with the 1972 vote the PCI gained an additional 20.3 percentage points in Sardinia, 9.6 in Campania, 8 in Abruzzo, but only just over 6 in Apulia and Sicily.

But although the Communist Party gained 6-10 per cent. in all the regions of the mezzogiorno, the Christian Democrats only lost ground (on average 4 per cent.) in Lucania, Abruzzo, Molise, and Sardinia.

The pattern seems to have been for the Communist Party to pick up votes from the Christian Democrats and neo-fascist MSI (especially in Campania), while the Christian Democrats were able to compensate for this erosion by picking up votes in their turn mainly from the Social Democrats and to a lesser extent the MSI.

Interestingly enough both the

Christian Democrat and Communist parties gained ground in Sicily where for the last two years the regional government has been run largely on a basis of an agreement between the Christian Democrat and Communist parties. The latter has remained formally in opposition but has been associated with the legislative programme. It is one of those examples of government "open" to the PCI's contribution which can be expected to develop further, not only locally but also nationally.

The PCI also gained spectacularly in Naples where the nine-month-old Left-wing city council under the popular Communist Mayor, Sig. Maurizio Valenzi, has done much to overcome the traditional attitudes of Neapolitans — who it should be remembered gave an 80 per cent. vote in favour of maintaining the monarchy in a referendum in 1946. On June 20 41 per cent. of the city voted Communist — a vote which reflects a substantial switch of neo-fascist, Monarchist and Christian Democrat votes to the PCI compared with the 1972 elections when the PCI gained only 27 per cent. of the vote. It is an amazing thought that almost as many people voted Communist in Naples as did in Bologna — a city which has been ruled by the Left since the war. In Rome, too, the PCI has become the largest single party.

That underlines the fact that the PCI at these elections has not only broadened its class base but also its geographical base. It is no longer only a working-class party with hardcore support in the industrial triangle and the Red Belt but a fully fledged national party capable of obtaining electoral support in widely varying areas and classes throughout this infinitely complex 1,000-mile-long peninsula and adjacent islands. In other words, as a result of this election, Italy finds itself with a polarisation of political support around two political parties — the Communists and Christian Democrats — which have come much closer to resembling each other in terms of the sources of their electoral support. The Christian Democrat Party appears to have become less Catholic by introducing independent lay figures

on its lists, and by picking up votes from the minor lay parties such as the Social Democrats and Liberals — while the Communist Party appears to have become more Catholic both by including independent Catholics on its lists and by picking up directly former Christian Democrat voters.

That makes it extremely difficult to evaluate the election in conventional political terms. The Communist Party claims considerable extent by the left — a claim borne out to a considerable extent by the drastic diminution in terms of seats and votes of the neo-fascists, Liberals and Social Democrats, and by the gains of the Communist Party itself, the Radicals and the Democrazia Proletaria. But it is also possible to argue that the country moved as it did because the Communist Party itself has moved steadily rightward over the years towards a more social democratic stance.

Furthermore, as the Communists themselves point out, Communist voters now outweigh the 1.7m. Communist Party members by nearly eight to one. Voters are not bound by the same discipline as party members. Therefore the more votes it obtains, the more the PCI is obliged to continue the sort of revisionist economic, strategic, social, and political ideas which have made it not only such a formidable vote-gathering organisation but also a point of reference for the future of socialism in Europe, and indeed in the wider debate of co-existence between capitalism and communism in the world.

In effect both the Communists and the Christian Democrats were competing for the middle ground of Italian politics, a

middle ground which was enlarged in these elections both by the decline of the neo-fascist Right and the confirmation that in electoral terms the extreme Left, as represented by Democrazia Proletaria, and the Radical Party, amounts to only 2.5 per cent. of the electorate. This means that although Italian politics has been polarised at these elections through the diminution of the minor parties it has not really been radicalised. There is in fact a large area of common ground between the two major parties, particularly in their analysis of the economic problems facing the country. Furthermore, both major parties are now too large for either to ignore the existence of the other, or indeed to govern without a considerable degree of consultation with and consent of the other.

Dialogue

To judge by the early post-election statements of leaders of both the major parties, the pattern which is likely to emerge during this legislature is that of a substantial dialogue, particularly in the all-important Parliamentary committees which draft legislation and in which the Communist Party will increase its strength, even though the formal distinction between Government and opposition will be maintained. But these are early days and much will depend both on the evolution of the economic crisis, the international climate after the West German and U.S. Presidential elections, and the degree of flexibility and skill shown by the political parties and the new blood which enters Parliament for the first time to-day.

Letters to the Editor

Judges' way

Mr. Lord Wilberforce.—Your readers will be grateful for the well-ordered article by Mr. A. H. Mann on "The Judges' building Europe" (June 30). There cannot be too much discussion about so central an institution as the European Court. May I add two comments? Mr. Mann is quite right in reporting the demand for more time to be given for Whitehall departments and business interests to comment upon pending references to the Court. The King's College conference in fact sought some practical suggestions in this direction. I would personally hope that this does not go so far as to use the Court to operate bureaucratically—a vice which is notoriously endemic in European institutions. After all it is the judges' duty to decide between rights and could destroy its use by delay.

The right way I suggest for the Court to keep in touch with business opinion is through the experience and self-education of its judges—there, as here, cordially as to interpretation Mr. Mann could obviously not vouch the whole of the conference but participants at it did at a most intelligent and sophisticated account by a European lawyer—Mr. Ehlermann—of methods used by the Court. The Court in fact follows no pre-determined, canonological or literal but applies mixture of these and other in a search for a European solution. Sometimes this process results surprising to lawyers but lawyers will soon run to live with it.

European Association of Lawyers (EAL).—use of Lords, S.W.1.

Local authority spending

Mr. R. Mills.—I am quite prepared to sit a fallacy if Mr. Palmer June 29) can charge me with facts rather than a subjective opinion that local government "does not address its mind sufficiently as to whether any particular statutory power is mandatory or statutory."

The facts are that local authorities, as a whole, have applied themselves much more actively to reducing both their borrowing and their share of the public sector borrowing requirement than central Government or the nationalised industries.

It is true that one contributory reason for the central Government borrowing is represented by

Exchequer subsidies to local authorities but such subsidies are the result of central Government decisions.

I repeat my statement that it is not local authority spending, as a whole, which is "out of control." It is central Government expenditure which is out of control and no amount of "buck passing" can disguise this fact.

R. H. Mills.
Church Farm,
Little Bovingdon,
Buckingham, Oxon.

Understanding the law

From Mr. M. Daniel.
Sir,—I feel that honesty is now at a premium, and the ordinary man in the street cannot really understand the law. The law is difficult to understand even for a lawyer. It seems to me that the trouble probably lies with the Parliamentary draftsmen, or with Parliament itself. I shall be glad of an answer to what appears to be a very real problem facing this country in its difficult days ahead, despite its in-built safeguards. Although the difficulty of interpreting a statute may be intentional (and I often think it is), it seems to me to be a very short-sighted policy.

Martin O. Daniel.
Thames Chambers,
44-46, Queen Street,
Ramsgate, Kent.

After the tank

From Mr. Gen. R. Mans.
Sir,—In his very clear analysis of the NATO tank problem (June 22) Nicholas Colchester posed the basic question: Is the tank like the battleship of old becoming outmoded on the modern battlefield; particularly in the face of the wide spectrum of missiles now available? Although a very pertinent question, the fundamental question of what is to replace the tank in the future.

The evolution of weapons of war follows the traditional path of toxin and antidote. Research and design compete on continuing ladders, with one seldom gaining more than one rung on the other. I suggest that we should now be looking for an opportunity to leap from the ladder to take us on to a completely new plane of weapon development. A leap we have not made in the context of the conventional land battle since the tank replaced the horse. Paradoxically enough those who cling to the immortality of the tank include many who in their younger days were scathing in their criticism of

civil service and there would probably also be a considerable stimulus to investment in industry. The obvious weakness of such a system is that it would allow foreign owners of companies operating in Britain to withdraw all their profits but perhaps the increased efficiency of British industry would encourage them to invest here instead.

It is possible to take the argument one stage further. Unspent earnings represent no demand on resources; indeed, they are available for investment to create more wealth. It is only when earnings are spent that they provide any benefit so why not tax only spending and not earnings? Much of the necessary mechanism now exists for the collection of VAT and could easily be extended to apply to all spending. A flat-rate VAT of something like 15 per cent. on all spending, including food, would provide the equivalent of all corporation tax and income tax and enable most of the Inland Revenue department to be closed down. There would, of course, have to be some redistribution of incomes but this could be achieved in the free bargaining that would take place over the allocation of wages and salaries of the money now paid out by industry in tax.

The transition from the present system of taxation to a wholly interest-free system could probably be spread over a number of years and could usefully be extended to local taxation as well. A wholly interest-free system of taxation seems to offer so many advantages not only in savings manpower but in the removal of anomalies and distortions that I wonder why we persist with the present system.

E. De Barr.
82 Ridgeway Lane,
Huddersfield, Macclesfield.

Abolish company taxation

From Mr. A. De Barr.
Sir,—Current preoccupation with ways of reducing the number of Civil Servants, the stimulation of investment in industry, an early return to free bargaining over wages and ways of freeing, for productive tasks, the large amount of manpower in industry which is not so employed prompt me to make the following suggestions.

Many companies and their advisers devote much ingenuity and effort to ways of minimising tax liability and no doubt the Inland Revenue devotes a similar amount to ensuring that companies pay the full amount of tax to which they are liable. This is only one wasteful consequence of the complexity of company taxation. Another is that it confuses considerably the economics of investment in industry by making it difficult to assess whether a particular investment is worthwhile: a new machine may appear a good investment in one company but a bad investment in an identical company with a different treatment of its accounts. And yet companies as such derive no benefit at all from the services provided out of taxation: the only beneficiaries are the workers, whether they be owners, directors or employees.

There is, therefore, surely a good case for abolishing company taxation altogether — it yields only about 15 per cent. of all direct taxation — and increasing income tax to make good the deficiency. The equivalent of corporation tax would, of course, have to be paid out by companies as increased salaries and wages to make good the increases in personal taxation but there would be considerable savings in personnel in industry, commerce, and the

Components of Public Sector Borrowing

(Rolling 12-month totals by quarter)

5,000 £m

4,000

3,000

2,000

1,000

0

1974

1975

1976

Total Central Government Borrowing and lending to Local Authorities and public corporations

Total Local Authority Borrowing

Total Public Corporation Borrowing

5,000 £m

4,000

3,000

2,000

1,000

0

EEC Finance Ministers meet, Brussels.

Session of European Parliament opens, Luxembourg.

CBI monthly trends survey for June published.

National Union of Mineworkers' conference, Douglas, Isle of Man.

CBI Employment Policy Committee meets.

Mr. Hugh Scanlon, president, Amalgamated Union of Engineering Workers, and Sir Geoffrey Howe, Shadow Chancellor of the Exchequer, speak at pay and prices conference organised by Associated Business Programmes, Royal Lancaster Hotel, W.2.

To-day's Events

Festival of City of London. Seminar on "The Arts and Commerce," Skinner's Hall, Dowgate Hill, E.C.4, 9.30 a.m.

Five-day exhibition on noise prevention organised by Noise Advisory Council of Department of Environment opens, Royal Exchange forecourt, E.C.3.

PARLIAMENTARY BUSINESS. House of Commons: Debate on immigration. Public Leading Right, Bill, second reading.

House of Lords: Police Pensions Bill, Adoption Bill and Food and

Drugs (Control of Food Premises) Bill, committee. Debate on steps to reduce prison population.

OFFICIAL STATISTICS. Hire purchase and other instalment credit business (May).

Retail sales (May—final).

COMPANY RESULTS. Bambergers (full year). Bath and Portland Group (half-year).

COMPANY MEETINGS. See Week's Financial Diary on page 2.

MUSIC. Festival of City of London, 8 p.m.

Gabrieli String Quartet play music by Haydn and Beethoven, Bishopsgate Hall, E.C.3, 1.05 p.m.

Sir Bernard Miles presents music and comedy in "An Evening at Twilight," Mansion House, E.C.4, 7.30 p.m.

U.S. Bi-Centennial Concert. Royal Philharmonic Orchestra, conductor Elmer Bernstein, narrator Douglas Fairbanks, in programme including Copland Suite (Gully the Kid); Leonard Bernstein (West Side Story); Bernard Herrmann (The Devil and Daniel Webster); and Elmer Bernstein (To Kill a Mockingbird), Royal Festival Hall, S.E.1, 8 p.m.

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Smooth Booth's

Mr. Booth warned, however, that prospects for school leavers appeared bleak in the months ahead.

generally profitable. However, the overall picture is being made unattractive by continuing losses in the fine paper division.

Meeting, Bury, August 2 at noon.

INTERNATIONAL COMPANY NEWS EURO MARKETS

EUROBONDS

Lively week in the D-mark sector

BY MARY CAMPBELL

THE DOLLAR sectors were relatively quiet last week, but with Canadian dollars holding up much better than many would have expected, in view of the strength of the currency. Ford Motor Credit's issue, which was increased from \$35m. to \$40m. and priced at 9.5 per cent on the indicated 91 per cent coupon in mid-week, was trading at only a slight discount on Friday. Noranda Mines' \$25m. issue was closed at par on the indicated 91 per cent coupon. New in the market over the week-end is \$30m. for Simpsons-Sears Acceptance Corp (under parent company guarantee). Maturity is seven years, indicated coupon 9 1/2 per cent, and lead manager Wood Gundy. Two new U.S. dollar issues were announced, \$25m. for Santa Fe International, indicated at 9 1/2 per cent on a ten-year maturity, and a \$25m. floating rate issue with a quarter point spread and 7 1/2 per cent minimum for the Vienna-based Genossenschaftliche Zentralbank. Priced last week were the Industrial Bank of Japan's \$30m. 8 1/2 per cent five year issue at 98 1/2, National Westminster's \$50m. ten year 9 per cent issue at par, and NYK Line's \$20m. 8 1/2 per cent five year issue at 99 1/2 per cent.

The D-mark sector was extremely lively compared with recent weeks. The European Investment Bank's issue was increased from DM100m. to DM120m. and priced at par, instead of the expected 9 1/2, while three new offerings were announced following the Capital Market Sub-Committee's decision on a DM350m. total for July and a DM300m. total for August.

The announcement of the 7 1/2 per cent indicated coupon on Norway's DM100m. offering, together with a five-year maturity, pushed down the secondary market prices of the other two recent Norwegian issues.

The other two announcements were of DM50m. private placements at 8 1/2 per cent for the Inter-American Development Bank via Bayerische Vereinsbank and the other at 8 per cent for five years for the European Coal and Steel Community, via Dresdner Bank.

Spanish \$1bn. loan holds its ground

FINANCIAL TIMES REPORTER

THE RESIGNATION of Spain's Prime Minister Carlos Arias Navarro last Thursday is unlikely to have any effect on the Kingdom of Spain's \$1bn. Euro-market borrowing international bankers said on Friday. The loan is expected to go into syndication this week.

The final terms are now effectively agreed among the 17 banks which will underwrite the loan. They include a total amount of \$1bn. at one stage it had been thought that the loan might be cut to \$750m.—a maturity of five years and a margin over inter-bank rates of 1 1/2 per cent.

It is understood that the 17 banks will underwrite \$80m. each and that the remaining \$150m. will be covered by eight Spanish banks.

The extent to which the pressure of being involved in the first ever loan to the Kingdom of Spain has made banks prepared to accept fine terms may be judged from the fact that three other Spanish borrowers—including some which are partly owned by the state—are currently in the market at spreads of 1 1/2 to 1 3/4 per cent.

Tractor setback hits earnings at Adams

BY JAMES FORTH

SYDNEY, July 4.

A SHARP DECLINE in profits of its tractor subsidiary pulled earnings of William Adams and Co., the steel and aluminium merchant and tractor distributor, down by 23 per cent for the year to April 30. The company's profits of \$2.62m. were distributed to shareholders at \$1.15m. The tractor division and its Caterpillar franchise was one of the main attractions behind the recent unsuccessful \$425m. takeover bid by Comeng Holdings. Comeng withdrew after only six days when Caterpillar warned that it would withdraw its franchise if the bid succeeded. Group profits of William Adams edged back from \$2.62m. to \$2.62m. While the metals distribution subsidiary lifted earnings from \$1.05m. to \$1.15m., profits of the tractor subsidiary fell from \$1.58m. to \$1.22m.

The tractor result is equal to 47 per cent of the group profit, well down on the 60 per cent level of recent years.

Indices

NEW YORK - DOW JONES

July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1	December 31	December 30	December 29	December 28	December 27	December 26	December 25	December 24	December 23	December 22	December 21	December 20	December 19	December 18	December 17	December 16	December 15	December 14	December 13	December 12	December 11	December 10	December 9	December 8	December 7	December 6	December 5	December 4	December 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9	September 8	September 7	September 6	September 5	September 4	September 3	September 2	September 1	August 31	August 30	August 29	August 28	August 27	August 26	August 25	August 24	August 23	August 22	August 21	August 20	August 19	August 18	August 17	August 16	August 15	August 14	August 13	August 12	August 11	August 10	August 9	August 8	August 7	August 6	August 5	August 4	August 3	August 2	August 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 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1	October 31	October 30	October 29	October 28	October 27	October 26	October 25	October 24	October 23	October 22	October 21	October 20	October 19	October 18	October 17	October 16	October 15	October 14	October 13	October 12	October 11	October 10	October 9	October 8	October 7	October 6	October 5	October 4	October 3	October 2	October 1	September 30	September 29	September 28	September 27	September 26	September 25	September 24	September 23	September 22	September 21	September 20	September 19	September 18	September 17	September 16	September 15	September 14	September 13	September 12	September 11	September 10	September 9	September 8	September 7	September 6	September 5	September 4	September 3	September 2	September 1	August 31	August 30	August 29	August 28	August 27	August 26	August 25	August 24	August 23	August 22	August 21	August 20	August 19	August 18	August 17	August 16	August 15	August 14	August 13	August 12	August 11	August 10	August 9	August 8	August 7	August 6	August 5	August 4	August 3	August 2	August 1	July 31	July 30	July 29	July 28	July 27	July 26	July 25	July 24	July 23	July 22	July 21	July 20	July 19	July 18	July 17	July 16	July 15	July 14	July 13	July 12	July 11	July 10	July 9	July 8	July 7	July 6	July 5	July 4	July 3	July 2	July 1	June 30	June 29	June 28	June 27	June 26	June 25	June 24	June 23	June 22	June 21	June 20	June 19	June 18	June 17	June 16	June 15	June 14	June 13	June 12	June 11	June 10	June 9	June 8	June 7	June 6	June 5	June 4	June 3	June 2	June 1	May 31	May 30	May 29	May 28	May 27	May 26	May 25	May 24	May 23	May 22	May 21	May 20	May 19	May 18	May 17	May 16	May 15	May 14	May 13	May 12	May 11	May 10	May 9	May 8	May 7	May 6	May 5	May 4	May 3	May 2	May 1	April 30	April 29	April 28	April 27	April 26	April 25	April 24	April 23	April 22	April 21	April 20	April 19	April 18	April 17	April 16	April 15	April 14	April 13	April 12	April 11	April 10	April 9	April 8	April 7	April 6	April 5	April 4	April 3	April 2	April 1	March 31	March 30	March 29	March 28	March 27	March 26	March 25	March 24	March 23	March 22	March 21	March 20	March 19	March 18	March 17	March 16	March 15	March 14	March 13	March 12	March 11	March 10	March 9	March 8	March 7	March 6	March 5	March 4	March 3	March 2	March 1	February 29	February 28	February 27	February 26	February 25	February 24	February 23	February 22	February 21	February 20	February 19	February 18	February 17	February 16	February 15	February 14	February 13	February 12	February 11	February 10	February 9	February 8	February 7	February 6	February 5	February 4	February 3	February 2	February 1	January 31	January 30	January 29	January 28	January 27	January 26	January 25	January 24	January 23	January 22	January 21	January 20	January 19	January 18	January 17	January 16	January 15	January 14	January 13	January 12	January 11	January 10	January 9	January 8	January 7	January 6	January 5	January 4	January 3	January 2	January 1	December 31	December 30	December 29	December 28	December 27	December 26	December 25	December 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AUTHORISED UNIT TRUSTS

[illegible]

INSURANCE, PROPERTY, BONDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London Irish issues, most of which are not fully listed in London, are shown separately and with prices as on the Irish exchange.

Attlee Irish Banks Ltd	10 1/2	C. Hoare & Co.	10 1/4	American Express Bank	10 1/2	Julian S. Hodge	11 1/2
Anglo-Portuguese Bank	11	Hongkong & Shanghai	10 1/2	Anglo-Siam Bank	11	Industrial Bank of Siam	10 1/2
Banco de Bilbao	10 1/2	Keyser Ullmann	10 1/2	Banco de Jerez	10 1/2	Knolly & Co. Ltd.	12 1/2
Banco de Mexico	10 1/2	London & European	11	Banco de Portugal	10 1/2	London Mercantile	11 1/2
Banque du Rhone S.A.	10 1/2	Midland Bank	10 1/2	Banque de l'Inde	10 1/2	Manuel Montagu	10 1/2
Banque de l'Inde	10 1/2	Morgan Grenfell	10 1/2	Banque de l'Inde	10 1/2	National Westminster	10 1/2
Banque de l'Inde	10 1/2	Norwich General Trust	11	Banque de l'Inde	10 1/2	Portman Guaranty	9 1/2
Banque de l'Inde	10 1/2	P. S. Refson & Co.	10 1/2	Banque de l'Inde	10 1/2	Rossmint Acceptors	10 1/2
Banque de l'Inde	10 1/2	Schlesinger Limited	11	Banque de l'Inde	10 1/2	E. S. Schwab	12
Banque de l'Inde	10 1/2	Standard Chartered	10 1/2	Banque de l'Inde	10 1/2	Trade Development Bk.	10 1/2
Banque de l'Inde	10 1/2	Twentieth Century Bk.	12 1/2	Banque de l'Inde	10 1/2	United Bank of Kuwait	10 1/2
Banque de l'Inde	10 1/2	Whiteaway Ltd	10 1/2	Banque de l'Inde	10 1/2	William & Co.	10 1/2
Banque de l'Inde	10 1/2	Yorkshire Bank	10 1/2	Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
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Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
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Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
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Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
Banque de l'Inde	10 1/2	Members of the Accepting House		Banque de l'Inde	10 1/2	Members of the Accepting House	
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OFFSHORE AND OVERSEAS FUNDS

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A city which has lost its illusions

THE JOBS COLUMN

Standards? Rubbish!

BY MICHAEL DIXON

JUST UNDER two weeks to the Olympics. Everything in Quebec converges on that point. Often ordinary Montrealers find it hard to hear themselves speak above the din of last-minute Olympic preparations, noisy efforts by strong labour groups to wring out final concessions, crowding of the centre stage by all political parties, and the aftermath of the "Fête St. Jean" celebration of Quebec's patron saint on top of Mount Royal, the wooded hill in the centre of the city.

armed with light sub-machine guns and rifles, are guarding the perimeter of the airports, and the Royal Canadian Mounted Police have full manpower at the terminals at Mirabel and Dorval. Checking is meticulous. Soldiers are doing guard duties and transportation chores at the

English-speaking West. They look the other way when the cost is mentioned, and the troubles since Expo, people generally are better off, despite inflation. But the "certainly factor" has declined. People do fear "inflation" at the Olympics, even though Vancouver's Habitat 67 costs and organise a national lottery to raise some more cash.

In the intervening nine years since Expo, people generally are better off, despite inflation. But the "certainly factor" has declined. People do fear "inflation" at the Olympics, even though Vancouver's Habitat 67 costs and organise a national lottery to raise some more cash.

grant children who pass the English test may go to English State schools, and the results showed a 75 per cent failure rate—to the anger once more of Montreal's Italian group, second largest in Canada, which has always wanted to send its young to English schools. They say they will fight it to Quebec City. The Government is mum.

Ca ra mal! The politicians sense the weariness among the mass of voters with the continuous atmosphere of social crisis and the tendency towards the right shift in the opinion polls. Premier Robert Bourassa is convinced that he has the voter on his side in fighting the public service unions. Others feel the pressure too.

Mr. René Lévesque, the leader of the Opposition Parti Québécois (PQ), outside the National Assembly, since he has no seat, has been urging the Government to revamp social service payments to encourage the Quebecois to have more children again. He implies that with the birth rate down to well below the national average, the economic position of the French-speaking Quebecois will decline and the French proportion of Montreal's population also.

'Montrealers are staggered by the size and opulence of the Parc Olympique in East End Montreal. . . They look the other way when the cost is mentioned.'

Staggering opulence
Mayor Drapeau stayed in the background. But he will get a "Golden Mile"—the Sherbrooke Street viaduct spanning the road connecting the Olympics Village and the stadium and Velodrome—and his fountains and gardens, all for an extra \$18m. Money has indeed been spent like water these last few months to get the job completed.

Olympics facilities, and army trucks are seen frequently in the streets. Helicopters from the military base at St. Hubert, just outside Montreal, fly over regularly. Soldiers operate the huge Olympics stores operation (computerised) at the old Longue Pointe camp in the East End, where only a few years ago refugees from Uganda were quartered temporarily.

week "for the duration," or that two of the big hotels in the city centre will not be finished in time because of construction labour troubles in 1974-75. They know the city will have to find \$200m. of the total Olympics deficit, estimated at anywhere up to \$900m., that their taxes are going up, and the quality of public service is shrinking. The Government is talking about doing something for low-cost housing after the Olympics, but they have heard that before. The solid goodwill of the people is there and the pride too. If not the happiness and serenity that preceded Expo 67.

ference went off peacefully, despite the political hangover. They fear international extremists more than local groups, reinforced by the daily television reports of violence from Beirut, the Middle East and now South Africa. They know that feelings run deep when race and language are involved. But there will be jobs for several thousand students at the Olympics, many for as long as nine weeks. No one has much time to think about the recession that must follow.

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To: The Public Relations Officer, The Advertising Association, Abford House, 15 Wilton Rd, London SW1V 1NJ. Please send me full details and a registration form.

Name _____
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The Advertising Association Golden Jubilee Conference. Queen Elizabeth Hall, South Bank, London SE1. July 15-16. Evening reception Wednesday 14th July.

UK Optical & Industrial Holdings

Europe's biggest manufacturer of ophthalmic lenses

TENTH YEAR OF INCREASED PROFITS

Chairman Mr. G. C. D'Arcy Biss reports:

- For the tenth successive year the Group achieved increases in both sales and profits.
- Pre-tax Group profit amounted to £3.3m, compared with £2.6m in the previous year — a rise of 26%.
- The Board recommends a final dividend of 2.8p per share, making a total for the year of 4.2p per share (1974/75 — 3.153p). Treasury consent for this 33% increase in total dividend was obtained at the time of the 1-for-4 rights issue last year.
- Investment in production plant and equipment for the ophthalmic group totalled approximately £1.5 million. The majority of the mass production plant for ophthalmic lenses and frames has been replaced over the past three years by more modern and efficient equipment, thereby increasing production capacity by about 25%.
- PROSPECTS — I am confident that the substantial investments we have recently made in increased and improved production capacity, combined with our strong cash position, mean that the Group is fully equipped to benefit substantially from any forthcoming economic upturn.
- At the A.G.M. shareholders will be asked to approve a proposal to change the company name to UKO International Limited, subject to DTL consent. Following very substantial development overseas in recent years the new title will more adequately convey the current sphere of activity, whilst maintaining identity with the goodwill built up under the present title.

GROWTH RECORD

	Sales	Pre-tax Profit	Earnings per share
1975/76	£28.0m	£3.3m	13.7p (on enlarged capital)
1974/75	£24.0m	£2.6m	11.3p (adjusted)
1973/74	£20.3m	£2.2m	10.1p (adjusted)
1972/73	£15.5m	£1.7m	9.0p (adjusted)

Copies of the Report and Accounts are available from:
The Secretary, UK Optical & Industrial Holdings Ltd., 51 Tisbury Hill, London NW7 1EN.

A volte face on James Bay

Mr. Lévesque has been on an official visit to the \$12bn. James Bay hydro-electric project, and on behalf of his party has done a volte face: he now backs the concept of the hydro-project and its huge scope (it is being slowed down because of cost uncertainty) and says his party's noisy advocacy of nuclear power was misplaced, not least because of the world problem of waste disposal.

Transparent Paper looks for recovery

Dr. Philip Adams, managing director of Transparent Paper, says the company's sales in the last three years have been "very good". With the world economy recovering, he expects a further increase in sales. The company's production has been restricted by the recession, but he expects a further increase in sales.

LONDON TIN CORPORATION LIMITED

REVIEW OF THE YEAR BY THE CHAIRMAN

MR. D. R. MITCHELL

The situation in which your world smelter output of tin metal was 174,800 tonnes, according to the official statistics published by the International Tin Council, and the same source reported world consumption of primary tin metal as 171,000 tonnes. Sales of about 14,500 tonnes of metal from China and additional sales from the U.S. stockpile produced a serious imbalance, and it was necessary for the Buffer Stock Manager to buy heavily in support of the market. At the end of December his holdings amounted to approximately 20,000 tonnes, but it appears that he has recently been a seller of tin metal and his holdings may now be substantially less than that figure.

Financial Results
The financial results for the year ended on 31st March, 1976 compare very closely with those of the previous year, the profit after tax being £2,098,000 against £2,182,000 although, in comparing these results of the two years, the difficulties in some of the producing countries and the ever increasing cost of new capital equipment act as a deterrent to this, even with the metal price approaching the ceiling level under the International Tin Agreement, now fixed at \$81.200 per picul.

Production
Overall group production was nearly 15% less than that achieved last year. The factors largely responsible for the fall were a reduction in the grade of reserves worked in Malaysia, where the overall average tin content fell from last year's figure of about 0.28 lb. per cu. yd. to 0.21 lb. per cu. yd. this year, and the interruption of operations in Thailand by strike action in January, which caused mining to cease for over two months. In Nigeria tin production increased slightly.

Exploration
On the exploration side, our programme in Australia has been directed mainly towards joint venture operations, so as to ensure substantial Australian participation and to reduce over-all costs. We have been involved over the last few years with four other companies in a search for diamonds in a large area in the northern part of Western Australia, and recently the Rio Tinto of Australia's operations can be maintained.

SKETCHLEY

Years ended 31st March	1976	1975
£000	£000	£000
Sales	24,892	21,018
Profit before tax	1,961	1,523
Profit after tax	962	743
Dividends per ordinary share	3.87176p	3.5p

Points from the Statement of the Chairman, Mr. N. C. Macdiarmid:

- * Trading. The year was one of the most difficult trading periods experienced for many years. Price increases were restricted by the operation of the Price Code and the Group has been unable to retain in the business all of the benefits derived from its improved efficiency.
- * Cleaning Division. Despite the long hot summer of 1975 and the depressed level of retail activity generally, sales were reasonably satisfactory, but inflationary pressures on costs inevitably reduced margins.
- * Overall Service Division. The Division has continued to grow in the UK, but this growth has been restricted by increased unemployment. As a result of the Quality Cleaners acquisition, the Division has extended the area of its operations to the South West and to South Wales. It now serves customers in all the main industrial centres of the country from seven strategically sited works and has the facilities and management to take advantage quickly of any improvement in the market.
- * Textile Division. The Division made a modest contribution to Group profits, despite depressed trading conditions in the textile industry. A major reorganisation of the entire textile operation is under way, following a far-ranging review of the Division's activities.
- * Outlook. The current year has started encouragingly, with Group turnover in the first two months well ahead of turnover in the like period of last year, but it is not practicable to project results for the full year — the impact of increased costs and the operation of the Price Code on price increases are incalculable factors.

The Annual General Meeting will be held at 3.00 p.m. on Tuesday 27th July 1976 at the Registered Office, Rugby Road, Hinckley, Leics. It is followed by an Extraordinary General Meeting to consider a Special Resolution to amend the Memorandum and adopt new Articles of Association.

Copies of the Report and Accounts are available from The Registrars, Tansley, Wint & Co., 105 St. Vincent Street, Glasgow, G2 5EG.

SKETCHLEY LIMITED
Hinckley, Leicestershire

Transparent Paper Limited

PRODUCTION RESTORED AFTER DEEP RECESSION

Extracts from Mr. J.F.E. Smith's Statement:

The results although well down on last year are, in view of the circumstances in which they were earned, the most satisfactory since I joined the Board and they are a great credit to all who work for Transparent Paper. The industry both at home and in Europe has just been through its deepest recession since the war. At one stage the Company's production was cut to 60% of capacity. Full production was restored during the last week in March, and since that date the order book has lengthened. As far as the Home Trade is concerned, it is yet to be seen whether this represents genuine demand or merely customers' restocking.

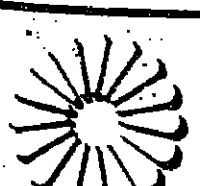
Promising Year for Exports

With the world recovering from recession and the apparent undervaluation of sterling, the coming year should be promising for exports. Competitive pressures prevented the full recovery of cost increases which were again very large, especially in energy, labour, and chemicals. For example, gas for steam raising has now increased in price by 332% since the start of 1973. The dollar price of dissolving pulp has remained stable, but sterling has been devalued by 22% during the 12 months of the Company's year. Despite the adverse economic conditions, capital expenditure has remained high. The total is now £3.5 million over the last three years. This sum has been provided entirely from the Company's own resources.

Principal Activities

The Company manufactures and converts transparent cellulose and plastic film. The products are used in particular as immediate wrappings by the confectionery, tobacco, biscuit, bakery and snack food trades, and for textiles and pharmaceuticals, together with many similar uses.

Jeff not 150



**Stewart
Wrightson**

International

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London EC3A 7HJ Telex 8811181

FT SHARE INFORMATION SERVICE

CANADIAN[illegible]

STRY—Continued

[illegible]

ENGINEERING—Continued

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****BRITISH FUNDS**

Stock	Price £	Last £	Vol.	Ind.	Recl.
British Overseas Airways Corp. 1972-73	100	100	10	10	10
British Airways 1972-73	100	100	10	10	10
British Airways 1973-74	100	100	10	10	10
British Airways 1974-75	100	100	10	10	10
British Airways 1975-76	100	100	10	10	10
British Airways 1976-77	100	100	10	10	10
British Airways 1977-78	100	100	10	10	10
British Airways 1978-79	100	100	10	10	10
British Airways 1979-80	100	100	10	10	10
British Airways 1980-81	100	100	10	10	10
British Airways 1981-82	100	100	10	10	10
British Airways 1982-83	100	100	10	10	10
British Airways 1983-84	100	100	10	10	10
British Airways 1984-85	100	100	10	10	10
British Airways 1985-86	100	100	10	10	10
British Airways 1986-87	100	100	10	10	10
British Airways 1987-88	100	100	10	10	10
British Airways 1988-89	100	100	10	10	10
British Airways 1989-90	100	100	10	10	10
British Airways 1990-91	100	100	10	10	10
British Airways 1991-92	100	100	10	10	10
British Airways 1992-93	100	100	10	10	10
British Airways 1993-94	100	100	10	10	10
British Airways 1994-95	100	100	10	10	10
British Airways 1995-96	100	100	10	10	10
British Airways 1996-97	100	100	10	10	10
British Airways 1997-98	100	100	10	10	10
British Airways 1998-99	100	100	10	10	10
British Airways 1999-00	100	100	10	10	10
British Airways 2000-01	100	100	10	10	10
British Airways 2001-02	100	100	10	10	10
British Airways 2002-03	100	100	10	10	10
British Airways 2003-04	100	100	10	10	10
British Airways 2004-05	100	100	10	10	10
British Airways 2005-06	100	100	10	10	10
British Airways 2006-07	100	100	10	10	10
British Airways 2007-08	100	100	10	10	10
British Airways 2008-09	100	100	10	10	10
British Airways 2009-10	100	100	10	10	10
British Airways 2010-11	100	100	10	10	10
British Airways 2011-12	100	100	10	10	10
British Airways 2012-13	100	100	10	10	10
British Airways 2013-14	100	100	10	10	10
British Airways 2014-15	100	100	10	10	10
British Airways 2015-16	100	100	10	10	10
British Airways 2016-17	100	100	10	10	10
British Airways 2017-18	100	100	10	10	10
British Airways 2018-19	100	100	10	10	10
British Airways 2019-20	100	100	10	10	10
British Airways 2020-21	100	100	10	10	10
British Airways 2021-22	100	100	10	10	10
British Airways 2022-23	100	100	10	10	10
British Airways 2023-24	100	100	10	10	10
British Airways 2024-25	100	100	10	10	10
British Airways 2025-26	100	100	10	10	10
British Airways 2026-27	100	100	10	10	10
British Airways 2027-28	100	100	10	10	10
British Airways 2028-29	100	100	10	10	10
British Airways 2029-30	100	100	10	10	10
British Airways 2030-31	100	100	10	10	10
British Airways 2031-32	100	100	10	10	10
British Airways 2032-33	100	100	10	10	10
British Airways 2033-34	100	100	10	10	10
British Airways 2034-35	100	100	10	10	10
British Airways 2035-36	100	100	10	10	10
British Airways 2036-37	100	100	10	10	10
British Airways 2037-38	100	100	10	10	10
British Airways 2038-39	100	100	10	10	10
British Airways 2039-40	100	100	10	10	10
British Airways 2040-41	100	100	10	10	10

BANKS AND HIRE PURCHASE

Grade	Stock	Price	Last	Dr Net	Gr	174	Feb.	Oct.	Nov.	Dec.	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878	879	880	881	882	883	884	885	886	887	888	889	890	891	892	893	894	895	896	897	898	899	900	901	902	903	904	905	906	907	908	909	910	911	912	913	914	915	916	917	918	919	920	921	922	923	924	925	926	927	928	929	930	931	932	933	934	935	936	937	938	939	940	941	942	943	944	945	946	947	948	949	950	951	952	953	954	955	956	957	958	959	960	961	962	963	964	965	966	967	968	969	970	971	972	973	974	975	976	977	978	979	980	981	982	983	984	985	986	987	988	989	990	991	992	993	994	995	996	997	998	999	1000
Grade	Stock	Price	Last	Dr Net	Gr	174	Feb.	Oct.	Nov.	Dec.	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558	559	560	561	562	563	564	565	566	567	568	569	570	571	572	573	574	575	576	577	578	579	580	581	582	583	584	585	586	587	588	589	590	591	592	593	594	595	596	597	598	599	600	601	602	603	604	605	606	607	608	609	610	611	612	613	614	615	616	617	618	619	620	621	622	623	624	625	626	627	628	629	630	631	632	633	634	635	636	637	638	639	640	641	642	643	644	645	646	647	648	649	650	651	652	653	654	655	656	657	658	659	660	661	662	663	664	665	666	667	668	669	670	671	672	673	674	675	676	677	678	679	680	681	682	683	684	685	686	687	688	689	690	691	692	693	694	695	696	697	698	699	700	701	702	703	704	705	706	707	708	709	710	711	712	713	714	715	716	717	718	719	720	721	722	723	724	725	726	727	728	729	730	731	732	733	734	735	736	737	738	739	740	741	742	743	744	745	746	747	748	749	750	751	752	753	754	755	756	757	758	759	760	761	762	763	764	765	766	767	768	769	770	771	772	773	774	775	776	777	778	779	780	781	782	783	784	785	786	787	788	789	790	791	792	793	794	795	796	797	798	799	800	801	802	803	804	805	806	807	808	809	810	811	812	813	814	815	816	817	818	819	820	821	822	823	824	825	826	827	828	829	830	831	832	833	834	835	836	837	838	839	840	841	842	843	844	845	846	847	848	849	850	851	852	853	854	855	856	857	858	859	860	861	862	863	864	865	866	867	868	869	870	871	872	873	874	875	876	877	878																																																																																																																										

ELECTRICAL AND RADIO

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

Over Fifteen Years

[illegible]

Nov. Gibbs (A.)	37	20.4	1.79	—	—
July Gillett Bros. £1	195	83	13.0	—	1

[illegible]

CHEMICALS, PLASTICS

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]**WEALTH & AFRICAN LOANS**

1974-75	991	72	6,568	10,145
1975-76	991	72	6,568	10,145
1976-77	81	28	6,106	11,154
1977-78	81	28	6,106	11,154
1978-79	724	27	7,755	12,788
1979-80	861	27	9,154	14,641
1980-81	853	28	9,736	15,650
1981-82	853	28	9,736	15,650
1982-83	724	27	7,755	12,788
1983-84	724	27	7,755	12,788
1984-85	724	27	7,755	12,788
1985-86	724	27	7,755	12,788
1986-87	724	27	7,755	12,788
1987-88	724	27	7,755	12,788
1988-89	724	27	7,755	12,788
1989-90	724	27	7,755	12,788
1990-91	724	27	7,755	12,788
1991-92	724	27	7,755	12,788
1992-93	724	27	7,755	12,788
1993-94	724	27	7,755	12,788
1994-95	724	27	7,755	12,788
1995-96	724	27	7,755	12,788
1996-97	724	27	7,755	12,788
1997-98	724	27	7,755	12,788
1998-99	724	27	7,755	12,788
1999-00	724	27	7,755	12,788
2000-01	724	27	7,755	12,788
2001-02	724	27	7,755	12,788
2002-03	724	27	7,755	12,788
2003-04	724	27	7,755	12,788
2004-05	724	27	7,755	12,788
2005-06	724	27	7,755	12,788
2006-07	724	27	7,755	12,788
2007-08	724	27	7,755	12,788
2008-09	724	27	7,755	12,788
2009-10	724	27	7,755	12,788
2010-11	724	27	7,755	12,788
2011-12	724	27	7,755	12,788
2012-13	724	27	7,755	12,788
2013-14	724	27	7,755	12,788
2014-15	724	27	7,755	12,788
2015-16	724	27	7,755	12,788
2016-17	724	27	7,755	12,788
2017-18	724	27	7,755	12,788
2018-19	724	27	7,755	12,788
2019-20	724	27	7,755	12,788
2020-21	724	27	7,755	12,788
2021-22	724	27	7,755	12,788
2022-23	724	27	7,755	12,788
2023-24	724	27	7,755	12,788
2024-25	724	27	7,755	12,788
2025-26	724	27	7,755	12,788
2026-27	724	27	7,755	12,788
2027-28	724	27	7,755	12,788
2028-29	724	27	7,755	12,788
2029-30	724	27	7,755	12,788
2030-31	724	27	7,755	12,788
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2034-35	724	27	7,755	12,788
2035-36	724	27	7,755	12,788
2036-37	724	27	7,755	12,788
2037-38	724	27	7,755	12,788
2038-39	724	27	7,755	12,788
2039-40	724	27	7,755	12,788
2040-41	724	27	7,755	12,788
2041-42	724	27	7,755	12,788
2042	724	27	7,755	12,788

BEERS, WINES AND SPIRITS

[illegible]

1310-1334 67

[illegible]

FOREIGN BONDS & RAILS

[illegible]

BUILDING INDUSTRY, TIMBER & RO

[illegible]

DRAPERY AND STORES

[illegible]

HOTELS AND CATERERS

[illegible]

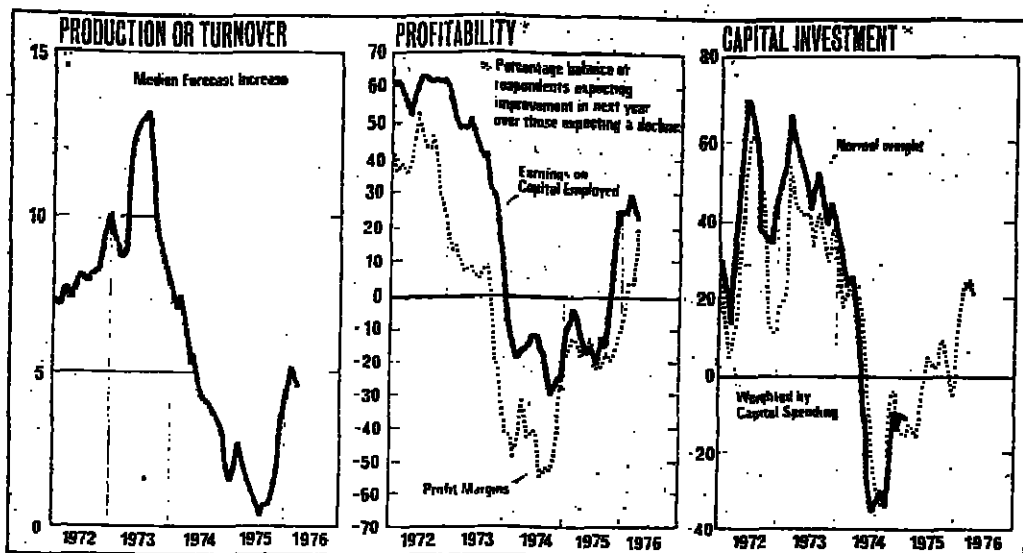
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TRUSTS—Continued

[illegible]

FT Monthly Survey of Business Opinion



Export-led recovery looks promising

THE CHANCES of an export-led recovery are now distinctly promising. The latest monthly survey of business opinion by the Financial Times finds record optimism among exporters at a time when industry still has capacity to spare.

The flow of orders generally continues to improve. But output is still dominated by demand factors and the relatively few supply difficulties which are being reported are all highly localised.

There is increasing optimism about further reductions in the rate of wage increases, following the new TUC-Government pay deal. The medium forecast increase for wage costs in the next 12 months has fallen below 10 per cent. for the first time since the beginning of 1974.

But industry is concerned that rising material costs may slow down the rate of reduction in total unit costs and in output prices. Here the medium forecast increases have risen slightly to 12 per cent.

Nevertheless, industry is hopeful of a further improvement in profit margins as volume grows. The main restraining factor will be competition rather than the Price Commission which, even before the latest easing of the price code, was seen more as a consuming nuisance than as an effective influence on market prices.

Market pressure also explains why many companies are less hopeful about overall earnings in the current financial year than about profit margins up to 12 months ahead. This contrast

Rise in bank lending shows signs of slackening

BY MICHAEL BLANDEN

THE SHARP rise in bank lending revealed by recent figures may have begun to slacken in the past few weeks, according to the latest indications at the big banks.

The statistics due from the clearing banks on Wednesday, covering the period to the middle of last month, will be examined with particular interest for any indication of the underlying trend.

In the two months to mid-May, the banking sector as a whole is estimated to have increased its lending to the private sector in sterling by nearly £600m., after making allowance for seasonal and other special factors. The London clearing banks alone may have seen a rise of about £400m. in that period, according to estimates.

The banks indicated, however, that they had so far seen little sign of a real increase in demand from their industrial customers for finance for new investment.

It is suspected that a good part of the recent increase was associated with the need to finance "leads and lags" over the exchange market as companies attempted to protect themselves against the decline in the value of sterling.

The big banks have remained pessimistic about the outlook for their lending to industrial customers, with the level of new investment expected to remain depressed this year.

However, recent indicators have suggested that economic recovery is moving faster than expected. In particular, there

Electricity industry expects surplus between £5-£10m.

BY ROY HODSON

THE ELECTRICITY industry expects to be able to announce a surplus of between £5m. and £10m. for the financial year 1975-76 when the results are published at the end of this month.

Although the profits will be modest they will represent a big turn-around from the industry's losses of the past two years—£258m. in 1974-75 and £176m. in 1975-76.

The industry's performance is more creditworthy because it has been accomplished during a year when electricity sales have slumped by 3.3 per cent.

The major contributor to the improved financial situation in the industry has been the Central Electricity Generating Board—the wholesale end of the industry. After paying £273m. in interest charges the CEBG has made a profit of nearly £50m., its first surplus for three years.

The Board has cut production costs and has raised the thermal efficiency of its power stations. Meanwhile, it has achieved a saving of more than 4 per cent. in man-power during the financial year. During last winter some of the less efficient power stations stayed out of action

Gamassi visit may lead to big U.K. arms exports to Egypt

BY RICHARD JOHNS

THE WEEK-long official visit to Britain ending today by General Mohammed Abdel Ghan al Gamassi, Egyptian Minister of War and War Production, should have laid the basis for more substantial involvement by the U.K. in Egypt's arms replacement programme and, possibly in the long-term, big exports of military equipment.

Before his departure General Gamassi asserted confidently that he had "gained results" from his talks with the Ministry of Defence and tours of U.K. military establishments. "Co-operation is progressing in all fields," he declared to talk about the specific armaments in which his country is interested, but confirmed that the Egyptian priority, so far as collaboration with the U.K. is concerned is on the naval side.

As reported by the Financial Times last week, Egypt has been negotiating a contract with Vespene Thorncroft (whose yard General Gamassi visited) for refitting Soviet-built Osa and Komar missile boats. The Egyptians are also interested in the purchase of up to 10 new fast patrol boats, or possibly hovercraft, from the same company.

Looking further ahead, Cairo has indicated that it might want to order submarines and frigates from the U.K.

General Gamassi's schedule included a visit to RAF Wittering, in Lincolnshire, where he was shown the Hawk ground attack-trainer aircraft which Britain would like to sell to Egypt. He affirmed that the Egyptian priority, super-sonic fighter-bomber and the Harrier.

Among the other defence establishments he visited were the Military Vehicles and Engi-

Suarez moves on Spanish Government

BY ROGER MATTHEWS

SR. ADOLFO SUAREZ, chosen last night as Prime Minister by King Juan Carlos, today began contacts aimed at forming a new government. His appointment came as a shock to most political leaders who had been expecting the king to choose a man with far more experience of administration, wider political links and with developed international contacts.

Only 43, Sr. Suarez has been in the Cabinet for just six months and is Secretary-General of the National Movement, still the only legal political organisation in Spain, formed by General Franco after the Civil War to bring together forces which had supported him.

Surprised

After an interview with the 38-year-old king last night, Sr. Suarez promised that the political reforms undertaken by his predecessor, Sr. Carlos Arias, would continue. He also gave every appearance of being surprised by the king's choice.

Reaction from most Left-wing parties has been one of grave disappointment. They had anticipated that the departure of Sr. Arias, coming so soon after the king's promises in the U.S. to introduce "a true democracy", meant that a man with more obvious liberal sentiments would take over as Premier.

The Right wing, however, expressed general satisfaction with the king's choice, with the leader of the extremist "Guerrillas of Christ the King" emphasising his relief that many people's favourite candidate, Foreign Minister Jose Maria de Arellano had been passed over.

This was widely echoed among the most confirmed democrats in the regime, although some sources close to the king still claim that Juan Carlos wanted his Foreign Minister to lead the government.

Sr. Suarez's meteoric rise to power was charted almost daily through the National Movement, where he was seen as presenting its more modern

Dublin fear of economic warfare by Loyalists

BY GILES MERRITT

FEARS that Ulster's Loyalist paramilitary extremists have decided to declare "economic warfare" on the Irish Republic were being voiced in Dublin yesterday after the week-end bombing raids on four major tourist hotels by the Protestant Ulster Freedom Fighters.

The bombings, which were claimed by the UFF as the action force of the powerful Ulster Defence Association, were allegedly in retaliation to the Provisional IRA's recent attacks on prominent Protestant businessmen, in Northern Ireland.

Ireland's Premier, Mr. Liam Cosgrave, who was himself involved in a bomb scare following the explosions, has pointed out that the number of British tourists visiting the Republic has now fallen by about 300,000 compared with the mid-1960s. But Ulster holidaymakers who visit the South have of late increased in number and now total as many as before the troubles began in 1969.

Irish tourist authorities are concerned that the Loyalists' private armies may be intending to strike back at the Republic's economy by singling out such tourist centres as the four leading hotels that were subjected to bomb attacks.

The telephoned warnings of the bombings, given by a man describing himself by the code name of "Captain Black" of the Ulster Freedom Fighters, said that the bombs in Dublin's Gresham Hotel, the Royal George in Limerick, and the Great Southern Hotel in Rosslare and Killarney, were in retaliation to the IRA killings of Northern businessmen.

He warned: "If there are any more killings, there will be no warnings the next time."

The attacks on hotels were also backed up by a campaign

Hambro Life sets July 19 for flotation

Financial Times Reporter

HAMBRO LIFE, the private life insurance company controlled by Hambro Bank and run by Mr. Mark Weinberg, has provisionally "booked" Monday, July 19 for its impending flotation. Only if Stock Market conditions deteriorate over the next fortnight will the date be postponed.

It is expected that approximately 20 per cent. of the equity will be offered to the public—less than the usual percentage because some of the shares are already in the hands of certain employees. The price has not finally been fixed but it is believed that the offer will raise 10m., placing a value on the group of almost 50m.

THE LEX COLUMN

Merchant banks lose status

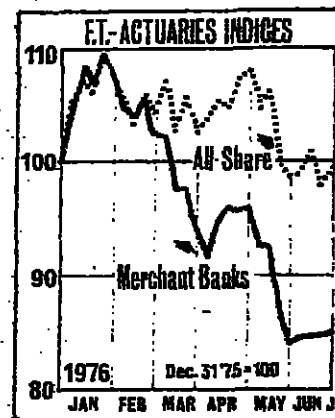
With Hambros publishing last week, full reports are now available for the four largest merchant banking groups, the others being Kleinwort Benson, Hill Samuel and Schroders. All four have, of course, shown substantial earnings recoveries for years ending either last December or March—the average being a 47 per cent. improvement at the attributable level. But the stock market has become disenchanted with the sector, which has shown pronounced relative weakness in recent months—especially in March and April.

To some extent merchant bank share prices have been affected by the similar (though not quite so severe) relative weakness of the clearing banks. But they have their own special problems. Continuing bad debt problems—whether at Brandts, Edward Bates or most recently at Hambros, which has written 25m. off shipping loans, have emphasised the risk element. And the sharp fall in sterling has increased the balance sheet pressures on merchant banks, given that 55 per cent. of the deposits of the accepting houses are now denominated in foreign currencies. Moreover profits from banking alone—in contrast with those from other activities—have been disappointing.

Aggregate banking profits of the big four merchant banks actually fell 4 per cent. in the latest year—although there was a rise of about a fifth if the fall from £5.4m. to £2.8m. at Hambros is stripped out.

The large merchant banks are having to rethink their role in the pure banking field of deposit taking and lending. In the short run, with formerly important areas of activity like property and shipping turning sour, business is hard to come by, especially with the clearing banks pushing hard into the medium term lending market in the U.K. In the past two years, in which inflation has aggregated around 50 per cent., the four groups have shown deposits growth of only 3 per cent. on average.

When business volumes become more buoyant, balance sheet constraints will appear. With disclosed free capital ratios of typically about 7 per cent. (inner reserves will add to this) the merchant banks are large holders of net monetary assets and are more vulnerable



problem. Hambros "would strongly resist" any attempt by the Revenue to enforce a theoretical tax liability of £3.75m. which arises because increases in the sterling value of its dollar debt cannot at present be offset against gains in the value of assets financed by such borrowings.

Hambros' mooted flotation of Hambro Life provides one example of how new capital can be generated in entrepreneurial ways. But in general the merchant banks may be turning more in the direction of fee-earnings business, and extending their non-banking activities—thus Kleinwort's end-1975 holdings of commodities were much higher, at £33.6m., than in previous years.

For shareholders, the result may be to make the future course of earnings more uncertain. The continued practice of using inner reserves may also now be acting against the merchant banks, for it may be feared that they are hiding losses where once they were thought to be tucking away large profits. Shareholders' funds totalling £70m.

Weather

U.K. TO-DAY

HOT and mostly sunny except in the South-West and on the N.E. coast. Thunder showers may occur anywhere. London, Southern England, East Anglia, Midlands, Cent. Northern England, N.W. England, N. Wales. Sunny periods and isolated thunders showers. Wind light, variable. Max. 32C (90F).

Isle of Man, Ulster. Sunny intervals and scattered thunders showers. Wind S, light. Max. 26C (75F).

Channel Isles, S.W. England, S. Wales. Rather cloudy, thunders rain. N.E. and East England. Sunny intervals a few showers. Fog patches on coasts. Max. 27C (81F).

N.E. Scotland, Orkney, Shetland. Cloudy with coastal fog and a few showers. Max. 20C (68F).

Lakes, S.W. Scotland. Sunny intervals a few showers. Light wind. Max. 25C (75F).

Outlook: Warm with showers. Light breeze. London 21-29, Manchester 22-29, Glasgow 22-33, Belfast 22-31.

BUSINESS CENTRES		
	Y-day	Mid-day
Amsterdam	25 58	25 58
Albany	25 58	25 58
Berlin	25 58	25 58
Bombay	25 58	25 58
Buenos Aires	25 58	25 58
Calcutta	25 58	25 58
Canton	25 58	25 58
Cebu	25 58	25 58
Colon	25 58	25 58
Hankow	25 58	25 58
Hong Kong	25 58	25 58
Kobe	25 58	25 58
London	25 58	25 58
Lyons	25 58	25 58
Manila	25 58	25 58
Medan	25 58	25 58
Osaka	25 58	25 58
Shanghai	25 58	25 58
Singapore	25 58	25 58
Sourabaya	25 58	25 58
Tientsin	25 58	25 58
Yokohama	25 58	25 58

HOLIDAY RESORTS		
	Y-day	Mid-day
Algeria	25 58	25 58
Barcelona	25 58	25 58
Blackpool	25 58	25 58
Bordeaux	25 58	25 58
Boulogne	25 58	25 58
Casablanca	25 58	25 58
Cape Town	25 58	25 58
Corfu	25 58	25 58
Dubrovnik	25 58	25 58
Geneva	25 58	25 58
Gloucester	25 58	25 58
Havana	25 58	25 58
Jersey	25 58	25 58
London	25 58	25 58
Lyons	25 58	25 58
Manila	25 58	25 58
Medan	25 58	25 58
Osaka	25 58	25 58
Shanghai	25 58	25 58
Singapore	25 58	25 58
Sourabaya	25 58	25 58
Tientsin	25 58	25 58
Yokohama	25 58	25 58

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